

A wide-angle photograph of the Dayton skyline at sunset. The sky is a vibrant mix of blue and orange, with the sun low on the horizon. The city's buildings, including a prominent glass-walled structure, are silhouetted against the sky. In the foreground, a river flows from the bottom left towards the right, reflecting the colors of the sunset. A paved walkway and a small green canopy structure are visible on the left bank of the river.

City of Dayton, OH
Annual Comprehensive Financial Report
Fiscal Year Ended December 31, 2022



City of Dayton, Ohio

Annual Comprehensive Financial Report

January 1, 2022 – December 31, 2022

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.





2022 Administration



Jeffrey J. Mims, Jr.
Mayor



Matt Joseph
Commissioner



Christopher L. Shaw
Commissioner



Darryl Fairchild
Commissioner



Shenise Turner-Sloss
Commissioner



Shelley Dickstein
City Manager

city of Dayton, Ohio



Introduction

CITY OF DAYTON, OHIO

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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September 27, 2023

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, Ohio, for the fiscal year ending December 31, 2022.

State law requires every local government to publish a complete set of financial statements within five months of the close of each fiscal year. Also, the City's Charter (Sections 44 and 78) prescribes required accounting, audit, and examination procedures for the City of Dayton. The 2022 ACFR was prepared using Generally Accepted Accounting Principles (GAAP) as applied to governmental units and contains all disclosures necessary to enable the reader to understand the City's financial affairs. City management is responsible for providing accurate and complete data for a fair and comprehensive presentation of its net financial position.

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

The Auditor of the State of Ohio studies the City's system of internal controls, conducts necessary tests under the circumstances, and renders an opinion based upon the statements when taken as a whole. Once again, the City has 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 all the funds for which it is financially accountable in the annual report. The City is associated with twelve (12) jointly governed organizations, which include 1) the Miami Valley Regional Planning Commission, 2) Miami Valley Fire/EMS Alliance, 3) Montgomery County Family & Children First Council, 4) Economic Development/Government Equity Program [EDGE] 5) Hazardous Material Response Team, 6) Montgomery County Regional Radio Council, 7) Montgomery County Emergency Management Agency, 8) Butler Township-Dayton Joint Economic Development District [JEDD], 9) Miami Township-Dayton Joint Economic Development District [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, and basic financial structure and policies, a description of economic conditions and outlook, major community projects, and

initiatives. The letter complements 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, a captain in the American Revolutionary War and the youngest signer of the U.S. Constitution. In 1797, Daniel C. Cooper laid out the Mad River Road, the first overland connection between Cincinnati and Dayton. This opened Dayton's "Mad River Country" and the upper Miami Valley to settlement.

Situated in southwestern Ohio, Dayton is the county seat and the largest city in Montgomery County. As of July 1, 2022, the U.S. Census Bureau reflects an estimated Dayton population of 135,944. The 2022 Census Quick Facts mirrors the City's population comprises 52.6% White, 38.5% Black, 5% Hispanic or Latino, 1.2% Asian, and 0.4% American Indian or Alaska Native. The owner-occupied housing rate is 47.4%, and the median household income in 2021 dollars is \$37,536, according to the 2022 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, which includes the cities of Vandalia, Trotwood, Kettering, Centerville, Beavercreek, Fairborn, West Carrollton, Huber Heights, Troy, Oakwood, Miamisburg, and several others.

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

The City provides a full range of essential governmental services that include police, fire, and emergency medical; street, alley, bridge, and park maintenance; waste collection services; recreation and golf; park services; community planning and engagement and economic development; building and housing inspection, and a municipal court system. In addition, the City operates enterprise or business-type functions that provide water supply and treatment, sewer and stormwater maintenance, wellfield protection, wastewater treatment, and airport services. The City workforce across all funds at the end of 2022 was 1,855 (full-time equivalent) employees.

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

The City's charter, as amended in 2014, established the Policy Budget framework and five Community Service Areas: Economic and Community Development, Justice, Building and Environmental Safety, Infrastructure, and Corporate Services and Governance. Each Community Service Area (CSA) 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 impact the community. The CSA groupings create natural collaborations between City departments and programs 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 in accordance with the Ohio Revised Code. In 2022, the City's original operating budget was \$901,380,000.00, and the final revised operating budget was \$972,891,600.00. Most of the increase was related to transfers out for ARPA Revenue Loss and increased expenses primarily for capital projects.

The City maintains financial stability by continuing its well-documented reputation of sound financial management, leadership, and strict adherence to key financial policies. One such policy is the City's long-standing General Fund Cash Reserve policy to maintain cash reserve levels equal to six to ten weeks of operating expenses. At the end of 2022, the General Fund cash reserve was \$42.5 million or \$17 million over the minimum level of six weeks of operating funds.

Another significant financial policy is the City's Investment Policy. This policy allows the City to be more flexible and take advantage of market conditions to maximize the City's return on investment and protection principle. The investment provisions in the policy significantly minimized the potential loss in investment earnings expected from the economic fallout from the pandemic. In 2022, the City earned \$3.21 million from its leading investment portfolio, a 27.71% increase from 2021. Additionally, the portfolio's overall yield doubled from 0.62% in 2021 to 1.41% in 2022. These results were expected, as the Federal Reserve's seven interest rate hikes during the year allowed the City to invest excess funds in higher-yielding securities.

External entities also validate a well-managed and stable community's financial credibility. For the Fiscal Year 2022, Moody's Investors Service (Moody's) maintained Dayton's general obligation bond credit rating at Aa2 and our non-tax revenue debt rating at Aa3. Standard & Poor's (S&P) affirmed Dayton's general obligation bond and non-tax revenue debt credit ratings at A.A. Moody's and S&P also retained their ratings of Aa2 and A.A.-, respectively, on both the water system revenue bonds and sewer system revenue bonds issued by Dayton. On March 16, 2023, S&P upgraded the City's underlying rating on its Airport Revenue Bonds to BBB+ from BBB. Fitch affirmed its rating on the outstanding airport revenue bonds at BBB. Overall, the announcements from all three rating agencies attest to the continued confidence in Dayton's financial management practices and long-term stability.

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. To provide incentives and promote 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 TIFs, authorized by the Ohio Revised Code (ORC) Chapter 5709, 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 could not 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 district if the local government enacted no TIF exemption. Any TIFs created where the exemption affects the property tax revenue of 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 1,200 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 2022 City of Dayton CRA Annual Report listed 239 residential and 25 commercial projects previously approved to benefit from real property exemption. The current value of all residential properties in the CRA was \$187,052,146.00. There were 24 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 has eight active Enterprise Zone Agreements and has experienced a \$184 million total investment from businesses that pledged to invest \$54.6 million. Employment in 2022 was 1,629 full-time equivalent positions, which includes created and retained jobs.

LOCAL ECONOMY AND INVESTMENT

The City of Dayton entered 2022 with great optimism and reserved caution as the City worked to understand the economic outlook post-pandemic. Strong and proactive City leadership, in combination with economic stimulus, allowed the City to weather negative impacts during the height of the pandemic and end 2022 with revenues that performed better than expected. Recovery continued in earnest throughout the year as employees returned to the office, construction activity resurged in the community, and many pre-pandemic activities resumed throughout the region.

The City worked to adapt to a "new normal" following the COVID-19 pandemic. As the economy began to show signs of recovery, the City's income tax revenues continued to perform strongly. Income tax collections had another strong year in 2022, climbing a notable 6.0% or \$8.8 million, bolstered by business tax profits. The impact of work-from-home policies has been slower than expected; however, it still represents a vulnerability as refunds to those who work from home in other jurisdictions continue to threaten any growth in Income Tax revenue.

In Downtown Dayton, we saw a return to gathering in person for festivals, more activity in public spaces and businesses, and a continuation of the positive momentum that revitalized the city's center. Several significant developments were either initiated or completed. Examples include:

- ✓ **Biltmore Tower** – Built in 1929 as a hotel and now listed on the National Register of Historic Places, the \$20M renovation 230-unit affordable apartment building was completed in 2022. Biltmore is a 17-story building on a 0.85-acre lot with a mix of 1- and 2-bedroom units, resident services and amenity spaces, and partially occupied ground-floor commercial.
- ✓ **City Forge and Ironworks Building** - The 120-year-old building to serve as the new headquarters for Brackett Builders and Moeller Brew Barn saw a full-scale renovation in 2022 and offers the \$6.4M renovation married historic and modern finishes and the activation of outdoor spaces in the Webster Station Neighborhood.
- ✓ **Jaycee Tower** - 2022 saw the renovation of 204 units of senior affordable housing community constructed in 1972 consisting of 92 studio and 112 one-bedroom units set on 9.13 acres of land. The \$17M renovation included repairs to the building envelope,

replacement of roof and windows, upgrades to building systems apartment interiors, and adding community amenities.

- ✓ **Downtown Dayton Infrastructure** – saw several upgrades through such projects as improved pedestrian crosswalks and a new mobile app for metered parking. At the same time, Link: Dayton Bike Share expanded its supply by adding 140 new electric bicycles. The first phase of downtown’s **ArtWraps** enlivened downtown streets by wrapping utility boxes with original designs by area artists.
- ✓ The **Dayton Arcade** project continued to make progress on renovations while making several announcements for new tenants, including a new concept from Ghostlight Coffee and a new studio and recording space for radio station WYSO. Construction got underway on a new kitchen incubator planned for The Arcade, and up to 50 new offices and a new classroom are planned as part of an expansion of The Hub.
- ✓ Construction continued on the **Home Telephone** (former Price Stores) building at the Fire Blocks development. The Century Bar opened its upstairs event space, and a new deli and market at Tony & Pete’s opened on Third Street. New commercial spaces for the Fire Blocks include the Graphic Arts Building and Bird Coin Building. Developer Windsor Companies also began construction on the Grant-Deneau Tower at 40 W. Fourth St.
- ✓ Construction got underway on the **Dayton Convention Center’s** \$35 million renovation project, including enhancements and updates to the building’s interior and exterior.
- ✓ **Sinclair College** news included a \$2.1 million renovation which brings the eLearning and Center for Teaching and Learning divisions under one roof and the addition of an Innovation Lab, the announcement of a new nursing completion program, and applications opening for Sinclair’s Workforce Development Division.
- ✓ Work is underway to turn the former Mendelsons liquidation outlet at 340 East First Street into **The Delco**, a mixed-use building with residential space, office space, retail, restaurants, and a parking garage from developer Crawford Hoying.

Downtown continued to see its business community grow. Thirty-six new businesses opened in 2022, including 25 new first-floor businesses. In addition to retail and office development, 2022 continued to see sustained growth in Dayton's downtown housing market. According to *data from the Downtown Dayton Partnership's 2022 year-end report*:

- ✓ There are now 1,837 market-rate housing units in Dayton's urban core — a 79.6% increase since 2010.
- ✓ 469 new downtown housing units were still in the pipeline.
- ✓ Of those pipeline projects, 316 units were under construction.

Outside of Downtown, the Dayton International Airport campus continued to be a growing hub for logistics and manufacturing in the City of Dayton. The **Dayton International Airport** collaborated with Sinclair College and PSA Airlines to meet the ever-increasing need for aircraft mechanics. A new Aircraft Mechanic training center was designed with two classrooms, two lab spaces, and a hangar. The new space will create the largest program capacity in the State of Ohio.

The Airport also welcomed Sierra Nevada to the landscape. S.D. Hangar Partners and Sierra Nevada invested \$44M in constructing and developing a new hangar at the Dayton International Airport to maintain and repair military and other specialized aircraft.

COMMUNITY DEVELOPMENT AND INITIATIVES

The City's commitment to redevelopment in neighborhoods also gained momentum in 2022. The Planning, Neighborhoods, and Development Department completed the Dayton Forward: 2040 Comprehensive Plan, representing the first new plan in the City of Dayton since 1999. The plan replaces CitiPlan Dayton: The 20/20 vision and includes new future land use maps and principles, incorporating previously adopted plans such as Neighborhood Vision Plans and the Riverfront Master Plan.

The plan offers a web-based functionality allowing more accessible access to use, update, and translate.

- ✓ Located in the **Miami Chapel neighborhood**, with \$300K from the City, the Economy Linen project yielded a \$20M new state-of-the-art laundry facility for healthcare and hospital linen rental and laundry services. It will supplement Economy Linen's existing operation at 80 Mead St. in Dayton, further extending the company's reach in the local area.
- ✓ In 2022, **Five Rivers Health Centers**, a non-profit healthcare center, opened a \$34M facility with 88 exam and procedure rooms, a drive-through pharmacy, community space, and an on-site laboratory and X-ray machine. \$500K from the City of Dayton helped the center partner with residents in managing preventive health care, not just its immediate medical care.
- ✓ **W. Social Table and Tap** received \$350K in City funding and leveraged an additional \$2.1M in private development with the development of Dayton's first food hall in Wright Dunbar. The social space cultivates a sense of community by bringing local small businesses to an otherwise food desert area. It creates a space where the neighborhood can gather and socialize.
- ✓ **Triangle Dog Park** opened in July 2022 and includes 4 acres in area, a 1,000' walking path, resurfaced parking lot with ADA access, upgraded water fountains, and renovated bathrooms.
- ✓ In the last four years, the Edgemont neighborhood has seen significant activity. The Greater Edgemont Community Coalition (GECC) has taken the **Edgemont Solar Garden** from a small operation with a few garden beds to a robust urban farm and community hub. With the help of CityWide Development, new partnerships have been formed with Central State University through their Incubator Farm Program, Five Rivers Health Centers, and their new Edgemont Campus.

- ✓ In addition, Dayton neighborhoods continued to see improvements in their physical appearance through the expanded service levels and investments provided through Issue 9, now known as "Your Dollars, Your Neighborhood." The program, supported by the 0.25 percentage point increase to the City's income tax rate passed by voters in 2016, provided infrastructure improvement in every community, including demolition of vacant structures, various park improvements, residential resurfacing in several neighborhoods, and the return to curbside leaf pickup. This work continued despite the City's concern about declining general fund revenues and a severely strained workforce. Finally, the County Auditor will complete the triennial revaluation of all property in Montgomery County in 2023 and estimate that property taxes will increase 4-6% on average.

LOOKING BACK, MOVING FORWARD

President Biden signed the \$1.9 trillion American Rescue Plan Act (ARPA) into law on March 11, 2021, which resulted in the city receiving \$138 million in federal relief funding. The funding is intended to stimulate recovery from the negative economic and health impacts of the COVID-19 pandemic. This \$138 million in funding represented the largest grant received in Dayton's history. 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 the ARPA legislation and adopted the plan on December 15, 2021. The Dayton Recovery Plan is a roadmap for Dayton's investment. The overall goal for the funding is to create long-term transformational and sustainable impacts in targeted areas, as well as special initiatives with impact citywide. Projects and proposals were developed using a data-driven approach analyzing socioeconomic, health, and demographic data to make informed funding decisions. Plan priorities were identified following an extensive community input process. The Dayton Recovery Plan allocates \$138 million in funding to six priority areas, which are included in the chart below:



By the close of 2022, 28 projects and initiatives were approved by the City Commission for nearly \$19 million in funding, including non-profit community service programs and small businesses. In 2022, \$11.3 million was used to fund various year-end strategic investments. In 2023, the city planned to use \$4 million in Revenue Replacement to cover the operating deficit of projected uses over sources.

AWARDS AND ACKNOWLEDGEMENTS

For the 40th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting to the City of Dayton for its Consolidated Annual Financial Report for December 31, 2021. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the 2022 Annual Report meets the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate of achievement.

I sincerely thank the Financial Analysis team for compiling this report. The team faced significant staffing shortages; however, their commitment to providing quality customer service and ensuring financial integrity was remarkable. Appreciation is also extended to the internal City departments and our external partners, Julian and Grube, whose contribution was an integral part of the development of the ACFR. I would also like to thank the City Manager's office for their strategic leadership and support. Finally, I want to thank the Mayor and City Commission for their passion for leading this great city and community.

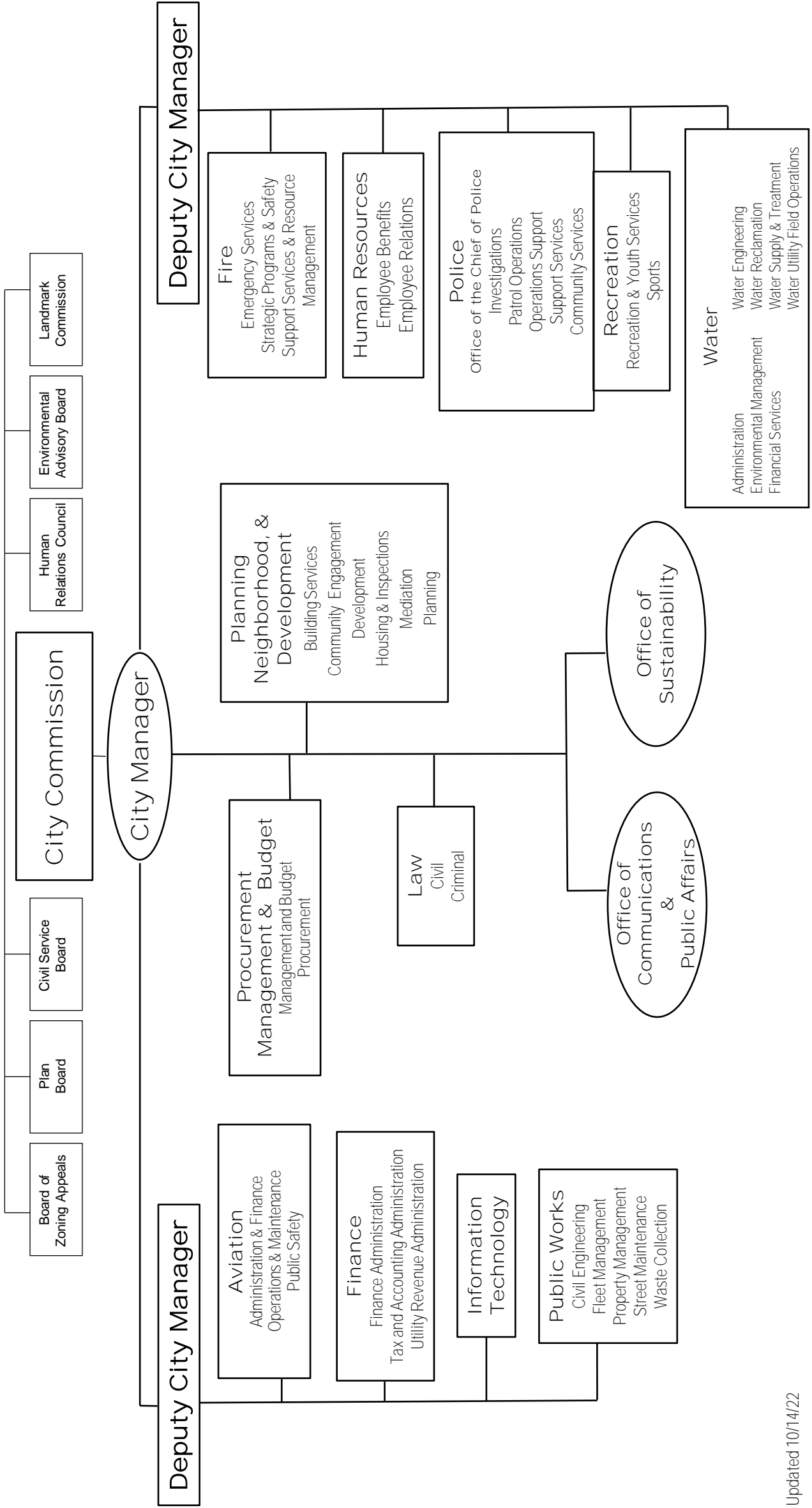
Respectfully submitted,



Kena L. Brown, 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, 2022**

ELECTED OFFICIALS

Mayor	Jeffrey J. Mims, Jr.
Commissioner	Matt Joseph
Commissioner	Chris Shaw
Commissioner	Darryl Fairchild
Commissioner	Shenise Turner Sloss

APPOINTED OFFICIALS

City Manager	Shelley Dickstein
Deputy City Manager	C. LaShea Lofton
Deputy City Manager	Joseph Parlette
Director – Aviation	Gilbert Turner
Secretary and Chief Examiner – Civil Service	Kenneth Thomas
Director – Office of City Commission	Torey Hollingsworth
Clerk of Commission – City Commission	Regina Blackshear
Director (Acting)– Finance	Kena Brown
Director and Chief – Fire	Jeff Lykins
Director – Human Relations Council	Erica Fields
Director – Human Resources	Kenneth Couch
Director – IT	Jon Rike
Director – Law	Barbara Doseck
Director (Acting)– Procurement, Management & Budget	Monica Jones
Dayton Municipal Clerk of Courts	Marty Gehres
Director – Planning and Community Development	Todd Kinsky
Director and Chief – Police	Kamran Afzal
Director – Public Works	Fred Stovall
Director – Recreation & Youth Services	Robin Williams
Director – Water	Mike Powell



Government Finance Officers Association

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**City of Dayton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

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, 2022, 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, 2022, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2022, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

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 September 27, 2023, 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

September 27, 2023

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CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (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, 2022. 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 2022 are as follows:

- The total net position of the City increased \$89,962,831 in 2022 from the 2021 net position. Net position of governmental activities increased \$76,314,500 or 17.34% from 2021 and net position of business-type activities increased \$13,648,331 or 2.26% from 2021 net position.
- The City had \$287,656,425 in revenues related to governmental activities. General revenues accounted for \$179,536,398 or 62.41% of total governmental activities revenue. Program specific revenues accounted for \$108,120,027 or 37.59% of total governmental activities revenue.
- The City had \$211,341,925 in expenses related to governmental activities; \$108,120,027 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$103,221,898 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$179,536,398.
- The general fund had revenues and other financing sources of \$246,260,825 in 2022. The expenditures and other financing uses of the general fund totaled \$233,835,856 in 2022. The net increase in the fund balance for the general fund was \$12,424,969 or 14.42% higher than 2021.
- The Local Fiscal Recovery Fund major fund was new in 2021. The Local Fiscal Recovery Fund had 61,828,952 in revenues and other financing uses and \$43,269,239 in expenditures and other financing uses in 2022. The increase in fund balance is \$18,559,713 which had \$43,582,156 as the ending fund balance for 2022.
- The debt service major fund had \$11,131,214 in revenues and other financing sources and \$9,388,627 in expenditures in 2022. The increase in fund balance in the debt service fund was \$1,742,587, a 6.63% increase from 2021.
- The capital improvements major fund had \$49,760,618 in revenues and other financing sources and \$25,541,336 in expenditures in 2022. The fund balance for the capital improvements fund increased \$24,219,282 or 50.24% from 2021.
- Net position for the enterprise funds, which are made up of the Dayton International Airport, Water, Sewer, and Storm Water enterprise funds, increased in 2022 by \$13,648,331.
- The Dayton International Airport enterprise fund had \$25,635,680 in operating revenues and \$33,612,345 in operating expenses in 2022. The Dayton International Airport enterprise fund also had non-operating revenues of \$1,686,924, non-operating expenses of \$4,883,791 and capital contributions of \$14,248,051. The net position of the Dayton International Airport enterprise fund increased \$3,074,519 or 1.21% from 2021.
- The Water enterprise fund had \$58,221,192 in operating revenues and \$47,721,537 in operating expenses in 2022. The Water enterprise fund also had non-operating revenues of \$525,623, non-operating expenses of \$4,141,626 and capital contributions of \$214,000. The net position of the Water enterprise fund increased \$7,397,652 or 3.86% from 2021.
- The Sewer enterprise fund had \$40,280,474 in operating revenues and \$35,382,085 in operating expenses in 2022. The Sewer enterprise fund also had non-operating revenues of \$529,462, non-operating expenses of \$2,486,999 and capital contributions of \$75,000. The net position of the Sewer enterprise fund increased \$3,015,852 or 2.37% over 2021.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

- In the general fund, the actual revenues and other financing sources were \$13,617,271 lower than they were in the final budget and actual expenditures and other financing uses were \$37,120,863 less than the amount in the final budget. Budgeted revenues increased \$48,180,450 from the original budget to the final budget. Budgeted expenditures and other financing uses increased \$36,539,095 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 2022?" 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, 2022 (UNAUDITED)

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

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.

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.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Government-Wide Financial Analysis

The table below is a summary of the City's net position at December 31, 2022 compared to December 31, 2021.

Net Position

	Governmental Activities <u>2022</u>	Restated Governmental Activities <u>2021</u>	Business-type Activities <u>2022</u>	Restated Business-type Activities <u>2021</u>	Total <u>2022</u>	Total <u>2021</u>
<u>Assets</u>						
Current and other assets	\$ 465,552,530	\$ 374,257,884	\$ 268,016,414	\$ 253,828,159	\$ 733,568,944	\$ 628,086,043
Capital assets, net	<u>487,908,391</u>	<u>475,860,199</u>	<u>617,754,699</u>	<u>609,703,249</u>	<u>1,105,663,090</u>	<u>1,085,563,448</u>
Total assets	<u>953,460,921</u>	<u>850,118,083</u>	<u>885,771,113</u>	<u>863,531,408</u>	<u>1,839,232,034</u>	<u>1,713,649,491</u>
Total deferred outflows of resources	<u>66,878,658</u>	<u>47,215,241</u>	<u>11,030,058</u>	<u>9,385,747</u>	<u>77,908,716</u>	<u>56,600,988</u>
<u>Liabilities</u>						
Current liabilities	94,959,155	62,889,465	16,553,435	14,505,962	111,512,590	77,395,427
Long-term liabilities:						
Due in one year	20,494,314	19,586,755	11,713,238	11,338,380	32,207,552	30,925,135
Due in more than one year:						
Net pension liability	156,943,550	72,792,882	20,297,018	158,774,774	177,240,568	231,567,656
Net OPEB liability	23,084,233	189,255,854	384,183	35,017,048	23,468,416	224,272,902
Other amounts	<u>92,442,813</u>	<u>28,052,291</u>	<u>180,897,586</u>	<u>340,753</u>	<u>273,340,399</u>	<u>28,393,044</u>
Total liabilities	<u>387,924,065</u>	<u>372,577,247</u>	<u>229,845,460</u>	<u>219,976,917</u>	<u>617,769,525</u>	<u>592,554,164</u>
Total deferred inflows of resources	<u>116,001,540</u>	<u>84,656,603</u>	<u>48,905,275</u>	<u>48,538,133</u>	<u>164,906,815</u>	<u>133,194,736</u>
<u>Net Position</u>						
Net investment in capital assets	422,099,338	421,566,784	444,331,123	460,888,412	866,430,461	882,455,196
Restricted	101,513,886	76,598,587	14,038,741	33,465,120	115,552,627	110,063,707
Unrestricted (deficit)	<u>(7,199,250)</u>	<u>(58,065,897)</u>	<u>159,680,572</u>	<u>110,048,573</u>	<u>152,481,322</u>	<u>51,982,676</u>
Total net position	<u>\$ 516,413,974</u>	<u>\$ 440,099,474</u>	<u>\$ 618,050,436</u>	<u>\$ 604,402,105</u>	<u>\$ 1,134,464,410</u>	<u>\$ 1,044,501,579</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/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.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

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.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$1,134,464,410. At year-end, net positions were \$516,413,974 and \$618,050,436 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 57.67% 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.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

The City's net investment in capital assets at December 31, 2022, was \$422,099,338 and \$444,331,123 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, 2022, 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, \$115,552,627 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 \$7,199,250.

The table on the following page shows the changes in net position for 2022 and 2021.

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CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Change in Net Position

	Governmental Activities 2022	Governmental Activities 2021	Business-Type Activities 2022	Business-Type Activities 2021	Total 2022	Total 2021
Revenues						
Program revenues:						
Charges for services and sales	\$ 42,172,346	\$ 39,102,655	\$ 118,021,914	\$ 117,934,258	\$ 160,194,260	\$ 157,036,913
Operating grants and contributions	59,510,561	43,953,799	-	6,204,905	59,510,561	50,158,704
Capital grants and contributions	6,437,120	5,151,276	14,537,051	7,591,007	20,974,171	12,742,283
Total program revenues	108,120,027	88,207,730	132,558,965	131,730,170	240,678,992	219,937,900
General revenues:						
Property taxes	13,685,283	14,240,066	-	-	13,685,283	14,240,066
Income taxes	153,481,195	147,325,533	-	-	153,481,195	147,325,533
Payment in lieu of taxes	1,645,403	1,735,177	-	-	1,645,403	1,735,177
Unrestricted grants	17,997,082	14,736,982	-	-	17,997,082	14,736,982
Investment earnings and fair value adjustment	(10,649,360)	(229,581)	(4,706,412)	(1,396,863)	(15,355,772)	(1,626,444)
Miscellaneous	3,376,795	4,623,368	15,297,807	12,369,646	18,674,602	16,993,014
Total general revenues	179,536,398	182,431,545	10,591,395	10,972,783	190,127,793	193,404,328
Total revenues	287,656,425	270,639,275	143,150,360	142,702,953	430,806,785	413,342,228
Expenses:						
Downtown	69,808	560,443	-	-	69,808	560,443
Youth, education and human services	27,506	28,886	-	-	27,506	28,886
Community development and neighborhoods	23,938,856	15,369,506	-	-	23,938,856	15,369,506
Economic development	14,075,369	8,118,338	-	-	14,075,369	8,118,338
Leadership and quality of life	41,544,959	40,717,452	-	-	41,544,959	40,717,452
Corporate responsibility	15,269,428	12,141,683	-	-	15,269,428	12,141,683
Public safety and justice	114,040,610	109,349,041	-	-	114,040,610	109,349,041
Interest and fiscal charges	2,375,389	2,183,217	-	-	2,375,389	2,183,217
Dayton International Airport	-	-	36,580,249	31,775,566	36,580,249	31,775,566
Water	-	-	49,184,442	39,923,711	49,184,442	39,923,711
Sewer	-	-	36,513,792	25,547,369	36,513,792	25,547,369
Other business-type activities:						
Storm water	-	-	7,223,546	3,487,403	7,223,546	3,487,403
Total expenses	211,341,925	188,468,566	129,502,029	100,734,049	340,843,954	289,202,615
Change in net position	76,314,500	82,170,709	13,648,331	41,968,904	89,962,831	124,139,613
Net position at beginning of year	440,099,474	357,928,765	604,402,105	562,433,201	1,044,501,579	920,361,966
Net position at end of year	\$ 516,413,974	\$ 440,099,474	\$ 618,050,436	\$ 604,402,105	\$ 1,134,464,410	\$ 1,044,501,579

Governmental Activities

Governmental activities net position increased \$76,314,500 in 2022. This increase of 17.34% is largely due to an increase of income tax revenue in the business profits tax. Income taxes grew 4.18% in 2022. Other revenues, such as parking charges, grew as visitors and workers utilized downtown parking. Personnel expenses were higher in 2022 when compared to 2021. Personnel expenses grew due to the restoration of some positions held vacant or abolished during the height of the pandemic, planned wage increases, negotiated lump sum payments, and a higher use of overtime to combat staffing vacancies.

CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

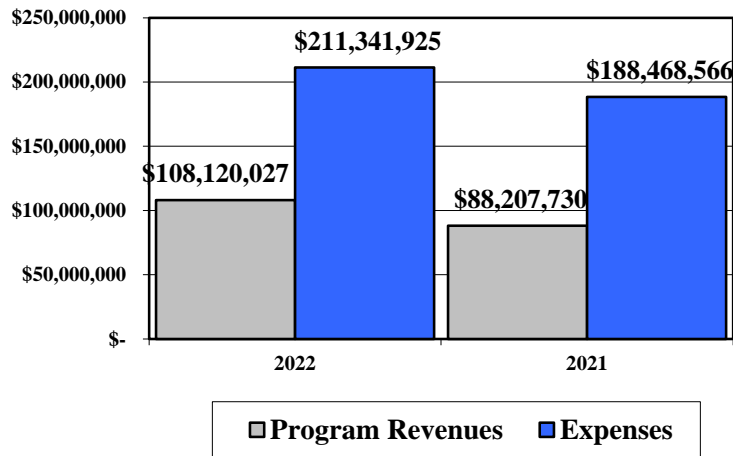
Public safety and justice, which primarily supports the operations of the police and fire departments accounted for \$114,040,610 of the total expenses of the City. These expenses were partially funded by \$26,250,227 in direct charges to users of the services and \$39,576,051 in operating grants and contributions. Leadership and quality of life expenses totaled \$41,544,959. Leadership and quality of life expenses were partially funded by \$6,098,456 in direct charges to users of the services, \$10,893,164 in operating grants and contributions, and \$6,437,120 in capital grants and contributions.

The state and federal government contributed to the City a total of \$59,510,561 in operating grants and contributions and \$6,437,120 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$10,893,164 subsidized leadership and quality of life and \$7,857,239 subsidized community development and neighborhoods. The total capital grants and contributions, \$6,437,120 subsidized leadership and quality of life programs.

General revenues totaled \$179,536,398 and amounted to 62.41% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$167,166,478. 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 \$17,997,082.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF DAYTON, OHIO

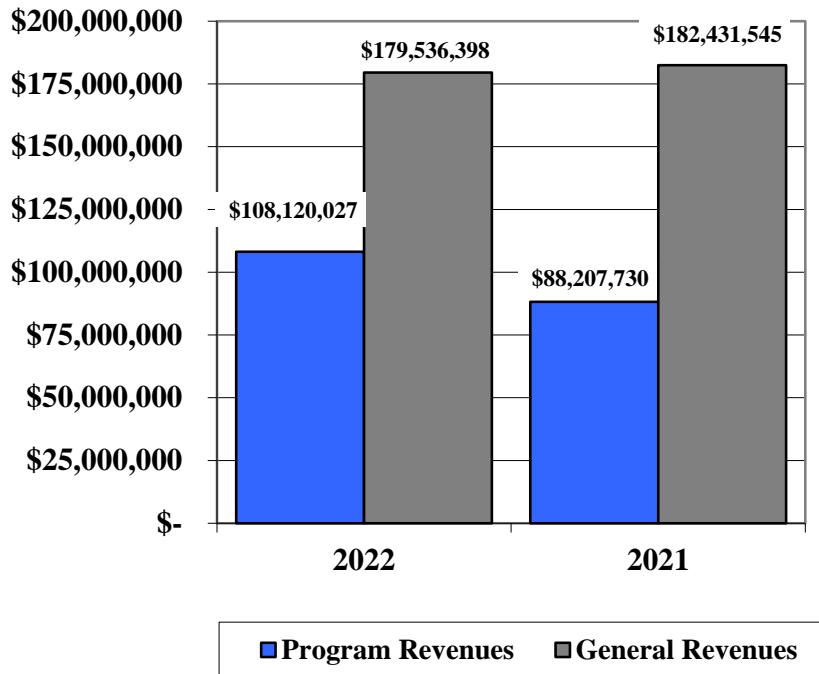
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program Expenses:				
Downtown	\$ 69,808	\$ 69,430	\$ 560,443	\$ 431,792
Youth, education and human services	27,506	21,344	28,886	17,571
Community development and neighborhoods	23,938,856	12,538,334	15,369,506	5,929,512
Economic development	14,075,369	10,890,421	8,118,338	6,274,876
Leadership and quality of life	41,544,959	18,116,219	40,717,452	17,790,089
Corporate responsibility	15,269,428	10,996,429	12,141,683	8,161,659
Public safety and justice	114,040,610	48,214,332	109,349,041	59,472,120
Interest and fiscal charges	<u>2,375,389</u>	<u>2,375,389</u>	<u>2,183,217</u>	<u>2,183,217</u>
Total Expenses	<u>\$ 211,341,925</u>	<u>\$ 103,221,898</u>	<u>\$ 188,468,566</u>	<u>\$ 100,260,836</u>

The dependence upon general revenues for governmental activities is apparent, with 48.84% of expenses supported through taxes and other general revenues. Total governmental expenses were \$211,341,925, program revenues were \$108,120,027 and general revenues were \$179,536,398. The City increased spending funds from the Local Fiscal Recovery Fund related to the American Rescue Plan, primarily economic development expenses. As discussed earlier, the City also had wage and benefit expense increases that resulted in increased expenses in all program areas.

Governmental Activities – General and Program Revenues



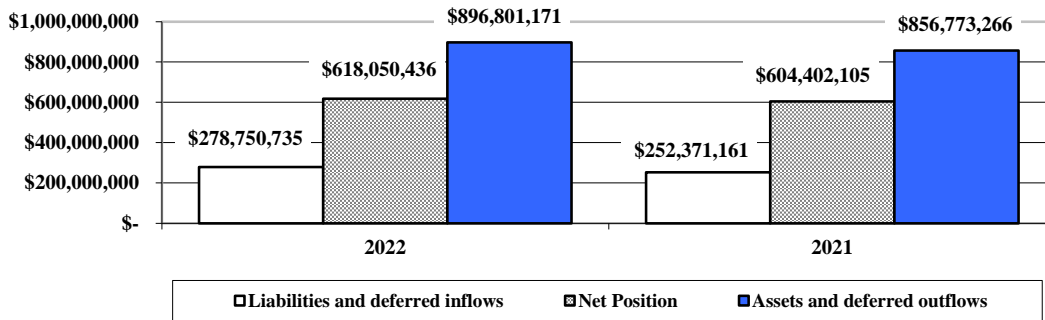
CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

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 \$13,648,331 in 2022. These programs had program revenues of \$132,558,965, general revenues of \$10,591,395 and expenses of \$129,502,029 for 2022. 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



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 \$266,251,540 which is \$53,474,147 more than last year’s total of \$212,777,393. The table below indicates the fund balances and the total change in fund balances as of December 31, 2022 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/2022</u>	Fund Balances <u>12/31/2021</u>	Increase/ <u>(Decrease)</u>
Major Funds:			
General	\$ 98,615,352	\$ 86,190,383	\$ 12,424,969
Local Fiscal Recovery Fund	43,582,156	25,022,443	18,559,713
Debt service	28,027,356	26,284,769	1,742,587
Capital improvement	72,428,130	48,208,848	24,219,282
Other nonmajor governmental funds	<u>23,598,546</u>	<u>27,070,950</u>	<u>(3,472,404)</u>
Total	<u><u>\$ 266,251,540</u></u>	<u><u>\$ 212,777,393</u></u>	<u><u>\$ 53,474,147</u></u>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

General Fund

	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Income, property and other taxes	\$ 166,870,819	\$ 160,617,750	3.89 %
Charges for services	29,300,991	28,302,335	3.53 %
Licenses and permits	3,663,840	2,983,918	22.79 %
Fines and forfeitures	3,862,866	3,979,634	(2.93) %
Investment income	(5,795,556)	1,633,166	(454.87) %
Special assessments	350,832	518,092	(32.28) %
Intergovernmental	7,128,170	6,455,445	10.42 %
Other	<u>3,363,920</u>	<u>2,362,292</u>	42.40 %
Total	<u>\$ 208,745,882</u>	<u>\$ 206,852,632</u>	0.92 %

The above table assists in illustrating the revenues of the general fund. Overall revenues of the general fund increased \$1,893,250. 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.

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

	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
Downtown	\$ 2,064	\$ 608,856	(99.66) %
Youth, education and human services	33,683	53,647	(37.21) %
Community development and neighborhoods	17,599,718	14,239,132	23.60 %
Economic development	6,894,139	6,489,547	6.23 %
Leadership and quality of life	26,968,848	26,784,126	0.69 %
Corporate responsibility	17,132,878	16,944,989	1.11 %
Public safety and justice	118,814,947	81,573,693	45.65 %
Debt service	<u>357,334</u>	<u>-</u>	100.00 %
Total	<u>\$ 187,803,611</u>	<u>\$ 146,693,990</u>	28.02 %

Overall expenditures of the general fund increased by \$41,109,621 or 28.02%. The largest expenditure of the City, public safety and justice, increased \$37,241,254 or 45.65%. This increase 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 in 2021 that were budgeted in the general fund. These expenses were reported in the general fund in 2022. The debt service expenditures in the general fund were for lease payments reported in accordance with GASB Statement 87.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

Local Fiscal Recovery Fund

The Local Fiscal Recovery Fund is 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 \$11,300,000 back to 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>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Intergovernmental	\$ 39,165,768	\$ 25,674,103	52.55 %
Investment income	576,742	117,447	391.07 %
Decrease in fair value of investments	<u>(4,128,501)</u>	<u>(143,257)</u>	2,781.88 %
Total	<u>\$ 35,614,009</u>	<u>\$ 25,648,293</u>	38.86 %
<u>Expenditures</u>			
Economic development	\$ 4,725,000	\$ -	100.00 %
Leadership and quality of life	969,296	-	100.00 %
Corporate responsibility	60,000	-	100.00 %
Public safety and justice	<u>-</u>	<u>25,791,550</u>	(100.00) %
Total	<u>\$ 5,754,296</u>	<u>\$ 25,791,550</u>	(77.69) %

Debt Service

The City's debt service fund balance increased \$1,742,587. 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 \$925,400 for debt payments.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 7,884,733	\$ 7,703,992	2.35 %
Charges for services	419,093	315,313	32.91 %
Intergovernmental	991,985	995,447	(0.35) %
Special assessments	19,748	18,318	7.81 %
Investment income	2,499	-	100.00 %
Other	<u>12,875</u>	<u>367,127</u>	(96.49) %
Total	<u>\$ 9,330,933</u>	<u>\$ 9,400,197</u>	(0.74) %

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

Expenditures

Corporate responsibility	\$ 261,942	\$ 234,162	11.86 %
Principal retirement	6,734,084	6,384,095	5.48 %
Interest and fiscal charges	<u>2,392,601</u>	<u>2,652,330</u>	(9.79) %
Total	<u>\$ 9,388,627</u>	<u>\$ 9,270,587</u>	1.27 %

Capital Improvements

The City's capital improvements fund balance increased by \$24,219,282 or 50.24%. The tables below illustrate the revenues and expenditures of the capital improvement fund. Revenues decreased \$1,872,289 or 17.33%, due to fluctuations in grant revenue. The tax revenue is used to reduce the balance of the manuscript debt. Expenditures increased \$5,559,480 or 27.82%. In addition to the revenues listed on the chart below, the capital improvements fund had \$21,710,000 in bond issuance, and \$18,812,200 in transfers from the general fund to be used for capital improvements. Capital outlay expenditures increased 29.32% due to spending associated with the City's capital plan for infrastructure and building improvements.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Revenues</u>			
Taxes	\$ 225,260	\$ 225,260	0.00 %
Charges for services	151,900	63,492	139.24 %
Intergovernmental	6,601,418	8,460,047	(21.97) %
Payments in lieu of taxes	1,645,403	1,735,177	(5.17) %
Other	<u>305,906</u>	<u>318,200</u>	(3.86) %
Total	<u>\$ 8,929,887</u>	<u>\$ 10,802,176</u>	(17.33) %

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Expenditures</u>			
Community development and neighborhoods	74,523	266,777	(72.07) %
Economic development	1,485,577	1,356,361	9.53 %
Leadership and quality of life	1,661,171	945,184	75.75 %
Corporate responsibility	2,011	68,050	(97.04) %
Public safety and justice	-	32,288	(100.00) %
Capital outlay	22,032,208	17,037,586	29.32 %
Debt service	<u>285,846</u>	<u>275,610</u>	3.71 %
Total	<u>\$ 25,541,336</u>	<u>\$ 19,981,856</u>	27.82 %

2022 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.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

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 F 41. With respect to changes to the general fund, the final budget reflects projected revenues, which were \$48.2 million higher than the original budget. Actual revenues had a positive variance of \$34.6 million compared to the original budget, primarily due to the continued growth in income tax and ARPA revenue replacement funding. Absent ARPA funding, actual revenues were \$12.6 million or, 6.1% higher 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 eight categories and fell short in two. When the one-time ARPA revenue replacement is excluded, the variance to both the original and final budgets of 11.9% and 6.1%, respectively, indicates that we were outside our performance metric of 0% to 3% positive revenue variance. Following the pandemic related decline in 2020, Income tax enjoyed a sizable growth in 2021 and continued the strong performance in 2022 accounting for \$9.7 million of the positive variance. The impact on income tax from work-from-home was slow to actualize, resulting in a stronger than projected performance.

Seven revenue categories realized a variance in excess of 10% when compared to the original budget. When compared to the final budget this benchmark is four revenue categories. . Investment Income underperformed relative to both budgets by a margin of 26% or over \$750,500 due to lower than projected interest earnings. Property and Other Local Taxes underperformed by 4% when compared to the final budget. Fines and Forfeitures revenues were initially under-budgeted. Compared to both appropriations, Fines and Forfeitures were over budget by \$1.4 million or 51% due to stronger than anticipated revenue from the public safety photo enforcement program. Other Revenues were nearly \$1.5 million above budget compared to both the original and final budget, largely due to the volatility associated with miscellaneous revenue categories and an unexpected refund from insurance proceeds. State Shared Taxes beat the original budget by 15% and the final budget by 5% due to strong revenue performance. ARPA revenue replacement calculated based on the Treasury Final Rule formula was \$12.3 million higher than 2021. As allowable under the first expenditure category bucket, these funds were allocated to government services and covered payroll expenses for public safety employees. In the absence of ARPA revenue replacement, total general fund revenues were 6.5% higher than fiscal year 2021, largely due to income tax.

Actual expenditures in 2022 were \$11.4 million or 5.5% under (favorable) the original budget while the final budget was \$9.3 million or 4.6% higher than actuals. All programmatic categories were within the 10% variance threshold except for Economic Development and Other Expenditures. The Economic Development category realized nearly \$3.6 million or 32% positive variance to both the original and the final budget. The Other category has a 38.6% variance, or expenses that were \$2.2 million over the final budget.

Net operating transfers exceeded the original budget by \$10.8 million and were \$27.8 million below the final budget. An increase in the funding of transfers was incorporated into the final budget to fund the Dayton Recovery Plan (DRP) from the ARPA revenue replacement funds . Due to the technicality associated with the financial system this transfer was done as an intra fund transfer which resulted the actuals being lower than the final budget.

In both the original and final budget, use of ARPA revenue replacement was anticipated for special project activities as well as for transfers in support of capital investments. On a budgetary basis, actual expenditures and transfers out exceed revenues by \$14.7 million. After adjustments for prior year encumbrances and to the balance sheet, the general fund ended the year with a \$100.7 million fund balance. This represents a \$19.0 million increase from 2021.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
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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 \$618,370,356 which is \$13,846,341 above last year's total of \$604,524,015.

The following table indicates the net position and the total change in net position as of December 31, 2022 for all major and nonmajor business-type funds.

	Net Position 12/31/2022	Net Position 12/31/2021	Increase
Major Funds:			
Dayton International Airport	\$ 256,154,034	\$ 253,079,515	\$ 3,074,519
Water	198,932,339	191,534,687	7,397,652
Sewer	130,500,324	127,484,472	3,015,852
Other Business-type activities	<u>32,783,659</u>	<u>32,425,341</u>	<u>358,318</u>
Total	<u>\$ 618,370,356</u>	<u>\$ 604,524,015</u>	<u>\$ 13,846,341</u>

Dayton International Airport (DIA)

The City's Dayton International Airport net position increased by \$3,074,519 or 1.21% from the 2021 amount. The Dayton International Airport received \$14,248,051 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 2022 over 2021.

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

	2022 Amount	2021 Amount	Percentage Change
<u>Operating Revenues</u>			
Charges for services	\$ 19,894,551	\$ 18,720,732	6.27 %
Other	<u>5,741,129</u>	<u>4,409,256</u>	30.21 %
Total	<u>\$ 25,635,680</u>	<u>\$ 23,129,988</u>	10.83 %
<u>Operating Expenses</u>			
Personal services	\$ 6,581,241	\$ 6,806,024	(3.30) %
Benefit payments	(2,202,882)	(4,981,271)	(55.78) %
Contractual services	7,307,519	5,023,291	45.47 %
Materials and supplies	675,758	949,846	(28.86) %
Utilities	2,110,632	1,807,395	16.78 %
Depreciation	16,230,489	15,920,765	1.95 %
Other	<u>2,909,588</u>	<u>2,771,628</u>	4.98 %
Total	<u>\$ 33,612,345</u>	<u>\$ 28,297,678</u>	18.78 %

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Operating expenses increased by \$5,314,667 or 18.78%. 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. Other spending declines were a result of a comprehensive reorganization in 2021 that was fully implemented in 2022. Contractual services and utility expenditures in 2021 were decreased due to a COVID-19, which resulted in an overall increase in 2022 as the airport operations continued to rebound from 2020 and 2021.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 598,627	\$ 179,030	234.37 %
Interest expense and fiscal charges	(2,981,728)	(3,059,700)	(2.55) %
Decrease in fair value of investments	(1,902,063)	(545,813)	248.48 %
Intergovernmental	-	6,204,905	(100.00) %
Gain on sale of capital assets	1,088,297	2,434,254	(55.29) %
Capital contributions	<u>14,248,051</u>	<u>7,591,007</u>	87.70 %
Total	<u>\$ 11,051,184</u>	<u>\$ 12,803,683</u>	(13.69) %

Nonoperating revenues and expenses decreased by \$1,752,499 or 13.69%. Capital contributions for 2021 and 2022 were primarily for Federal grants that are being used for capital improvements, along with passenger facility charges. The intergovernmental revenue in 2021 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 land in both 2021 and 2022, which resulted in a gain on sale of assets non-operating revenue for both years.

Water

The City's Water fund net position increased by \$7,397,652 or 3.86% from the 2021 amount.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Operating Revenues</u>			
Charges for services	\$ 51,407,290	\$ 54,546,618	(5.76) %
Other	<u>6,813,902</u>	<u>4,552,157</u>	49.69 %
Total	<u>\$ 58,221,192</u>	<u>\$ 59,098,775</u>	(1.48) %
<u>Operating Expenses</u>			
Personnel services	\$ 17,652,598	\$ 17,343,060	1.78 %
Benefit payments	(1,241,918)	(8,458,803)	(85.32) %
Contractual services	8,758,697	8,406,972	4.18 %
Materials and supplies	5,568,637	5,314,145	4.79 %
Utilities	6,378,375	4,866,597	31.06 %
Depreciation	8,087,002	8,074,637	0.15 %
Other	<u>2,218,146</u>	<u>2,317,102</u>	(4.27) %
Total	<u>\$ 47,421,537</u>	<u>\$ 37,863,710</u>	25.24 %

CITY OF DAYTON, OHIO

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(UNAUDITED)

Overall, operating revenue decreased 1.48%. Operating expenses increased by \$9,557,827 or 25.24%. The largest increase 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. However, this still resulted in negative fringe benefit expenses.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 525,623	\$ 239,444	119.52 %
Interest expense and fiscal charges	(1,651,931)	(1,356,075)	21.82 %
Decrease in fair value of investments	(2,483,635)	(814,991)	204.74 %
Gain (loss) on sale of capital assets	<u>(6,060)</u>	<u>(11,688)</u>	(48.15) %
Total	<u>\$ (3,616,003)</u>	<u>\$ (1,943,310)</u>	(86.07) %

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 \$3,015,852 or 2.37% from 2021.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Operating Revenues</u>			
Charges for services	\$ 38,626,803	\$ 35,964,030	7.40 %
Other	<u>1,653,671</u>	<u>887,845</u>	86.26 %
Total	<u>\$ 40,280,474</u>	<u>\$ 36,851,875</u>	9.30 %
<u>Operating Expenses</u>			
Personnel services	\$ 9,048,649	\$ 8,699,002	4.02 %
Benefit payments	(275,092)	(3,984,375)	(93.10) %
Contractual services	10,648,426	6,938,600	53.47 %
Materials and supplies	4,237,803	2,886,029	46.84 %
Utilities	3,210,041	2,609,480	23.01 %
Depreciation	7,263,027	5,688,796	27.67 %
Other	<u>1,249,231</u>	<u>1,140,167</u>	9.57 %
Total	<u>\$ 35,382,085</u>	<u>\$ 23,977,699</u>	47.56 %

Operating expenses increased by \$11,404,386 or 47.56%. The largest increase in expenses was to benefit payments related to recording the net pension liability and the net OPEB liability.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

	2022 Amount	2021 Amount	Percentage Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 529,462	\$ 125,817	320.82 %
Decrease in fair value of investments	(1,422,554)	(411,945)	245.33 %
Interest expense and fiscal charges	(1,038,039)	(1,162,909)	(10.74) %
Loss on sale of capital assets	(26,406)	-	(100.00) %
Total	<u>\$ (1,957,537)</u>	<u>\$ (1,449,037)</u>	(35.09) %

Nonoperating revenues and expenses in 2022 decreased by \$508,500 or 35.09%. This decrease is related to the market performance of the City's investment portfolio.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2022, the City had \$1,105,663,090 (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, \$487,908,391 was reported in governmental activities and \$617,754,699 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, 2022 balances compared to December 31, 2021:

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

	Governmental Activities 2022	Governmental Activities (Restated) 2021	Business-Type Activities 2022	Business-Type Activities 2021	Total 2022	Total (Restated) 2021
Land	\$ 55,049,436	\$ 54,622,909	\$ 37,682,406	\$ 39,162,051	\$ 92,731,842	\$ 93,784,960
Construction in progress	8,371,809	7,228,863	43,768,839	30,129,010	52,140,648	37,357,873
Right of ways	14,007,402	14,007,402	-	-	14,007,402	14,007,402
Buildings and improvements	72,677,999	73,355,795	157,859,908	155,479,484	230,537,907	228,835,279
Improvements other than buildings (IOTB)	26,944,210	26,795,553	347,698,336	357,388,569	374,642,546	384,184,122
Equipment	3,656,820	3,082,423	11,914,834	7,455,112	15,571,654	10,537,535
Software	397,566	165,781	797,111	139,157	1,194,677	304,938
Vehicles	20,198,712	18,419,390	18,033,265	19,949,866	38,231,977	38,369,256
Infrastructure	281,303,870	272,580,508	-	-	281,303,870	272,580,508
Right to use - buildings	5,300,567	5,601,575	-	-	5,300,567	5,601,575
Total	<u>\$ 487,908,391</u>	<u>\$ 475,860,199</u>	<u>\$ 617,754,699</u>	<u>\$ 609,703,249</u>	<u>\$ 1,105,663,090</u>	<u>\$ 1,085,563,448</u>

The City's largest governmental capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City; however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 57.66% of the City's total governmental capital assets.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

The City's largest business-type capital asset category is improvements other than buildings (I.O.T.B) which primarily includes runways for the airport, water lines, sewer lines and storm water catch basins. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's I.O.T.B (cost less accumulated depreciation) represents approximately 56.28% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2022 and 2021 (excluding premiums/discounts):

	Governmental Activities <u>2022</u>	Governmental Activities (Restated) <u>2021</u>
General obligation bonds	\$ 55,085,000	\$ 43,405,000
Revenue bonds	<u>21,230,000</u>	<u>17,230,000</u>
Total bonds	<u>76,315,000</u>	<u>60,635,000</u>
Ohio Public Works Commission (OPWC) loans	1,528,057	1,667,422
State infrastructure bank loan	1,950,976	2,061,640
State infrastructure bank bonds	2,565,000	2,715,000
Ohio Department of Development Loan	894,563	1,198,618
Leases payable	<u>5,321,462</u>	<u>5,601,575</u>
Total loans	<u>12,260,058</u>	<u>13,244,255</u>
Total long-term obligations	<u>\$ 88,575,058</u>	<u>\$ 73,879,255</u>
	Business-type Activities <u>2022</u>	Business-type Activities <u>2021</u>
General obligation bonds	\$ 24,355,000	\$ 26,415,000
Revenue bonds	<u>135,795,000</u>	<u>118,485,000</u>
Total bonds	<u>160,150,000</u>	<u>144,900,000</u>
Ohio Water Development Authority (OWDA) loans	15,213,122	8,639,401
Jobs Ohio loans	<u>4,025,799</u>	<u>4,243,244</u>
Total loans	<u>19,238,921</u>	<u>12,882,645</u>
Total long-term obligations	<u>\$ 179,388,921</u>	<u>\$ 157,782,645</u>

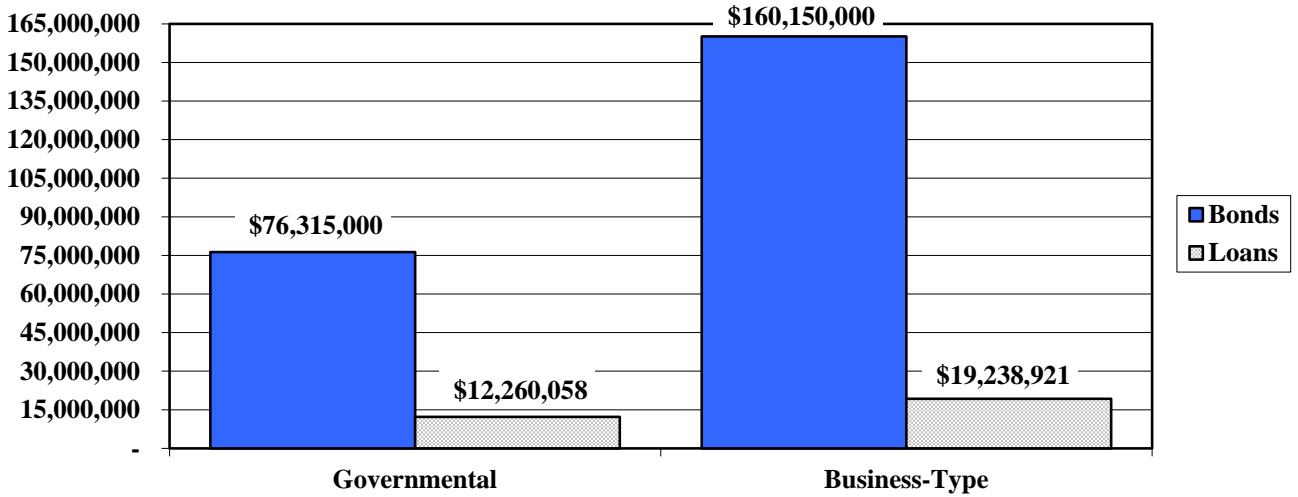
See Note 14 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

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

Long-term Obligations

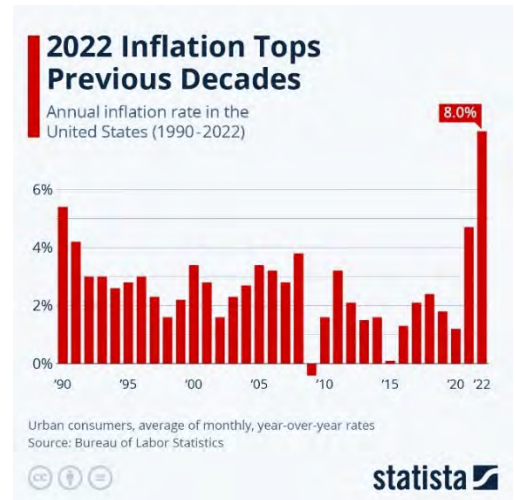


Economic Outlook and the 2023 Budget

Continued uncertainty plagued the nation as we entered 2022, driven by ongoing pandemic concerns, economic volatility, and international unrest. Despite these threats, the nation remained hopeful as we entered the year with renewed optimism. The Dayton region began to experience sustained employment growth, evidence of the recovering economy. Employment levels recovered from the pandemic-driven trough experienced in April 2020, following job losses and stay-at-home orders, with the region gaining 52,300 jobs as of December 2022. While evidence of a growing economy, employment levels were still lower than their February 2020 peak.

Inflationary pressures remained a top concern for the organization and the region, as inflation in the United States grew to its highest point in decades. These inflationary pressures negatively impacted the City of Dayton’s ability to procure goods and services, but the City worked tirelessly to maintain service levels for the community. Residents and business owners also felt the impact of rising inflation, coupled with labor market issues and supply chain disruptions. To address some of these residual economic impacts from the pandemic, the City began to implement its Dayton Recovery Plan.

The Dayton Recovery Plan (DRP) represents the City’s roadmap, guiding how \$138 million of American Rescue Plan Act (ARPA) funds will be invested to effect long-term transformational and sustainable impacts in targeted geographies. Identified investments will address the socio-economic and health disparities in Dayton’s most-vulnerable communities. In 2022, the City executed contracts with community partners and vendors to advance work towards meeting the deliverables outlined in the DRP. Work will continue in earnest in 2023, with all funds expected to be obligated by December 2024, per U.S. Department of Treasury guidelines.



Construction and development activity remained strong in 2022, with large renovation projects, new housing and rental properties, and new Dayton amenities undergoing construction in the region. This included the redevelopment of a building in the Wright-Dunbar Historic District to create the West Social Tap and Table, Dayton’s first food hall featuring independent, minority-owned businesses. Biltmore Tower, a 230-unit affordable apartment building on the National Register of Historic Places, was rehabilitated with structural improvements, apartment renovations, and

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

improved community areas. Five Rivers Health Center opened a new facility in Edgemont, serving residents with primary and preventative care needs. Economic growth continued in the region, with the Dayton Development Coalition reporting that, during the year, companies committed to create over 5,900 new jobs and keep more than 6,800 in the region, generating over \$357 million in new payroll and \$5.5 billion in capital investment.

Despite continued economic pressures, the City's General Fund revenue performed strongly for the second year following the start of the pandemic. General Fund revenues were essentially static from 2019 to 2020, as stay-at-home orders suppressed the City's income tax and direct-service revenues. City leadership and staff curtailed expenditures to only those necessary to maintain service levels, while ensuring the organization's solvency. Revenues rebounded, following the lifting of pandemic restrictions, climbing 5.4% in 2021 over 2020 receipts. This growth was sustained in 2022, with revenues ending 6.3% higher than 2021. These year-over-year gains were driven by growth with the General Fund's largest revenue source, income tax.

Income tax revenues outperformed expectations in 2021 and 2022, largely due to unprecedented growth within the business profits tax component of collections. Income taxes grew 6.0%, or \$8.8 million, over 2021. This is remarkable, as year-over-year gains in 2021 were some of the highest seen in recent decades. Conversely, the City's income tax sources were impacted by growing refunds, with the dollar amount of refund requests nearly doubling year-over-year, climbing from \$2.4 million in 2021 to \$4.8 million in 2022. The City is beginning to realize the eroding impacts that rising refunds, largely due to work-from-home and commuter income tax laws, will have on the organization. The City expects that sustained work-from-home schedules will result in the continued erosion of income taxes for the City in the long-term.

The respective components of income tax are a proxy for the condition and direction of the local economy. As mentioned earlier, income tax collections in 2022, net of refunds, outperformed the City's projections, with collections 6.0%, or \$8.8 million, higher than 2021. The business profits tax portion of income taxes grew an astounding 33.6%, or \$5.9 million year-over-year, leading the increase in income tax growth. Growth within the business tax profits portion is unpredictable and difficult to project as this category could include large, one-time delinquent payments.

Gross withholding taxes, those withheld directly from employees' paychecks by their employer and distributed to the City, were up 4.1%, or \$5.1 million. Lower unemployment rates following recent peaks during the pandemic, coupled with wage inflation led to growth within this category. Long-term growth within this category remains threatened by sustained work-from-home schedules as employers and employees gain a better understanding of tax withholding laws.



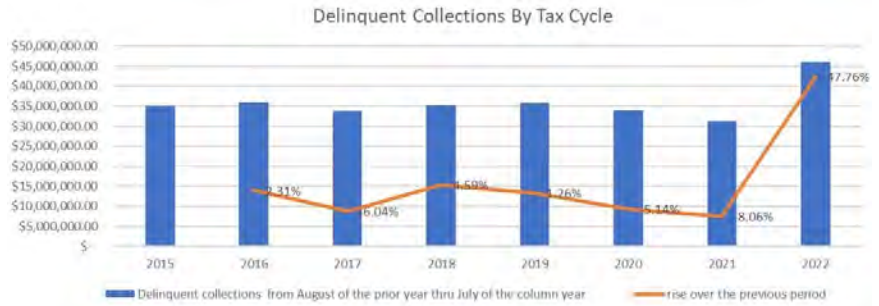
Ohio's commuter income tax law, known as the 20-Day Occasional Entrant Rule, requires employers to withhold income taxes for those employees who work outside of their principal place of employment for more than 20 days in a calendar year. For those workers who are employed by companies within Dayton boundaries, but work-from-home outside of Dayton, their employers should be withholding taxes to each appropriate jurisdiction based on tax laws. Also, the employee may request a refund for their time worked at home. The City began to realize increased levels of refund requests, nearly doubling in 2022, largely attributable to sustained work-from-home schedules, and the City estimates that over the next few years income tax sources could be reduced by \$7.0 to \$22.1 million. Due to the sudden and widespread use of work-from-home practices, employers were largely unprepared to withhold taxes for their employees based on their work location. Employers are now implementing practices to properly withhold these taxes, thus the City anticipates that income tax revenues will continue to erode with sustained work-from-home schedules.

CITY OF DAYTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

The Montgomery County Auditor completed a full reappraisal of all properties in 2020, with property values realizing significant gains following The Great Recession. According to the Montgomery County Auditor, property taxes climbed 15% over the prior tax appraisal cycle and the county likely experienced the greatest gains in recent history. Actual property tax receipts for the City were 0.9%, or nearly \$57,500, higher in 2022 when compared to 2021, as taxes stabilized following the revaluation. Of note, property tax collections registered a 101.5% collection rate, consisting of 92.0% on current year collections and 9.5% from delinquent tax collections. A higher level of payments for delinquent taxes helped keep property tax revenues stable from the prior year. Rising payments towards delinquent taxes are due in large part to a new County tax lien program, spearheaded by Treasurer John McManus, to encourage residents to pay their delinquent taxes. Payments on delinquent taxes to the County grew almost 48% from 2021 to 2022.

Following record years of residential home sales, sales are beginning to decline in the region. According to the Dayton Area Board of Realtors, home and condo sales are down 25.2% as of December 2022 when compared to December 2021. Alternatively, the area experienced growing home prices with a median sales price of \$192,000, up 3.8% from December 2021. The demand for housing options has not waned for Dayton area residents, but rising home prices and higher interest rates appear to have suppressed growth in the home buying market. New rental properties throughout Dayton are hoping to fill the gap for residents in need of housing, including construction of the Water Street Flats downtown.



The Local Government Fund (LGF) 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 LGF 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 almost \$8.5 million of state certified LGF distributions in 2022, outperforming the final budget estimate of \$8.1 million. The state’s source of funding for LGF distributions are state sales taxes and these remained elevated throughout 2022. Tax receipts for the state rose during the pandemic as Ohioans purchased more consumable goods during their time at home, and while tax revenues remain elevated, they are beginning to normalize as workers return to the office.

As evidence of the recovering economy, the City’s licenses and permits revenue in the General Fund surpassed pre-pandemic revenue levels in 2022. This growth is attributable to a planned increase to Building Services fees based on the consumer price index coupled with new, large construction projects that may have been delayed during the height of the pandemic. Revenue within this category totaled nearly \$3.7 million in 2022, last surpassing \$3.0 million of annual receipts in 2019, prior to the pandemic.

Driving this year-over-year increase was growth in construction permit revenues. Growing construction activity was prevalent throughout the United States as well, with the U.S. Census Bureau reporting the dollar value of all construction activity in 2022 was 10.2% higher than the amount spent in 2021. Private and public investment spurred increased construction activity in the region, with construction and renovation work beginning on the Dayton Convention Center, the Day Air Ballpark, and various distribution centers near the Dayton International Airport.

^a <https://www.daytondailynews.com/local/property-values-will-soar-in-montgomery-county-revaluation-taxes-not-in-lockstep/53H25KHLMVA77M5CU3IKDCDOWI/>

^b <https://www.census.gov/construction/c30/pdf/release.pdf>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

Following pandemic driven revenue declines and stagnation in 2020, General Fund revenues began to recover in 2021 and 2022 largely due to climbing income tax revenue. The City experienced year-over-year revenue growth in nearly all General Fund revenue categories. Waste collection revenue ended the year 4.8% higher than 2021, largely due to an annual rate escalator defined by City ordinance. Revenue for parking charges and fees grew exponentially, climbing 74.0% over 2021 as visitors and workers utilized parking downtown more frequently following pandemic shutdowns, in addition to new lease agreements with City-owned lots.

Overall, the City's General Fund revenue outperformed the original estimate of \$187.3 million, ending the year with \$209.6 million of actual receipts. The City anticipated that employers and employees would adapt to commuter income tax laws at a faster rate, greatly reducing the income tax revenue for 2022 due to sustained work-from-home schedules. Unexpectedly, income tax revenue outpaced the original estimate, driven by unprecedented growth in business profit taxes and wage inflation. Despite this growth, refunds nearly doubled in 2022, due in large part to rising work-from-home refunds requests.

The City anticipates greater erosion of income tax revenue in the coming years as employers and employees develop a better understanding of commuter income tax laws. As such, the revenue outlook for 2023 was prepared conservatively with input from Dayton business, government, and academic leaders. The original General Fund revenue estimate for 2023 is \$205.8 million, down \$3.8 million from 2022's actual receipts. Income tax revenue for 2023 was held relatively static, projected to decline just 0.2% from 2022's actual revenue. Revenue projections for 2023 include a \$2.9 million reduction to account for photo enforcement legislation changes reducing revenues allocated to the City's General Fund. Due to the projected revenue decline and rising expenditures, the City plans to balance the 2023 General Fund budget with the use of \$4.0 million with eligible ARPA revenue replacement.

Like many other organizations, the City's workforce was impacted by the pandemic. The average number of filled General Fund positions declined from 1,181 in 2019 to 1,166 in 2020. This decline was due to the City's efforts to combat the pandemic-driven economic downturn, including introducing a hiring freeze, abolishing vacant positions, and offering a Voluntary Separation Plan for staff. Staffing levels are approaching their pre-pandemic level, with the average number of filled positions increasing to 1,172 in 2022. This increase in the City's staffing levels was due to the reinstatement of abolished positions and/or the addition of new positions to better address the needs of the organization. Despite these gains, the City's workforce was also impacted by the volatile work environment. As evidence of these workforce constraints, 65% of state and local governments surveyed in 2022 by the MissionSquare Research Institute identified 10 key positions in their organization as hard to fill.^c The City struggled to fill vacant positions and experienced higher levels of turnover in 2021 and 2022.

The City entered 2022 with reserved optimism, following strong revenue growth in 2021, particularly as it relates to income tax. Revenue losses due to sustained work-from-home schedules, and their subsequent reduction on tax receipts, loomed for the City. As such, the 2022 budget was developed conservatively and some budget solutions were enacted City-wide and by Departments to combat this potential threat. Examples of budget solutions or planned savings included utilizing two health insurance holidays for the City and for employees, Departments opting to attend virtual trainings and conferences to keep travel costs contained, and exploring new grant opportunities to offset expenses or to allow for program expansion. Additionally, as APRA guidelines allow the City to utilize federal funding to address revenue gaps, the City planned to use \$11.6 million of ARPA funds in the original budget, to address projected shortfalls.

The General Fund's personnel expenses were 3.5%, or \$4.6 million, higher in 2022 when compared to 2021. Personnel expenses grew due to the restoration of some positions held vacant or abolished during the height of the pandemic, planned wage increases, negotiated lump sum payments, and a higher use of overtime to combat staffing vacancies. Like many organizations nationwide, the City experienced higher levels of vacancies as job growth and job competition changed the labor market landscape and the availability of workers.

^c <https://slge.org/wp-content/uploads/2022/06/2022workforce.pdf>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

The City is self-insured and, as such, monitors health care expenditures and utilization to determine the ongoing needs of the organization. Health care visits for many declined during the pandemic, and as pandemic restrictions were lifted the City anticipated increased health insurance utilization. Thus, the City planned for a 4% increase in health insurance costs in 2022, and a 3.5% increase in 2023. Labor contracts for the 2021 - 2023 contract period were executed with the City's four bargaining groups, and resulted in a three-year wage package of 2%, 2% and 2%. 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.

As mentioned previously, General Fund revenues outperformed expectations in 2022, and the City was able to complete strategic, year-end cash transfers to support intentional improvements and to help catalyze future development in the face of structural changes to the economy. Year-end investments totaled \$25.7 million, and \$15.2 million of these investments were to support capital improvements, such as additional support for capital improvement projects, technology investments, street maintenance and repair, and neighborhood development. The strong revenue performance in 2022 helped to support these investments to reduce the future strain on the City's sources.

Like many other municipalities, the City was awarded \$138 million in federal stimulus dollars through the ARPA to combat the negative impacts from the pandemic. Of the \$138 million award, \$102 million was allocated to fund community initiatives and support local businesses. ARPA guidelines also allow for the City to utilize some of the remaining funds to address revenue gaps and losses that stem from the pandemic-driven economic downturn. ARPA will be utilized by the City to address revenue gaps that would otherwise negatively impact City services, as needed. 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 long-term outlook for the City remains positive, but uncertainty surrounding the impact of sustained work-from-home schedules on income tax revenues requires ongoing monitoring and proactive planning to mitigate the negative impacts of such revenue loss. City leadership are actively exploring options to ensure the organization is prepared to address potential threats in the near- and long-term.

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. With a potential recession looming and a volatile economy, many municipalities ended 2022 with higher cash reserves or rainy-day funds. The State of Ohio ended 2022 with the largest balance for the Ohio Budget Stabilization Fund ("rainy day" fund) in state history. d Likewise, the City has made sure to increase the cash reserve balance to better prepare for potential adverse economic impacts.

At the end of 2022, the cash reserve was \$42.5 million, or \$17.0 million, over the minimum level of six-weeks of operating funds. The original General Fund budget for 2023 totals \$215.4 million, up 6% over 2022 accounting for planned wage growth, supply chain inflationary pressures and a return to pre-pandemic spending and investments. Beyond prudent growth in the cash reserve, increasing expenses necessitates an increase in the cash reserve to maintain compliance with the City's policy.

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 Kena Brown, 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.

^d <https://governor.ohio.gov/media/news-and-media/governor-dewine-announces-largest-rainy-day-fund-in-ohio-history-01172023>

**BASIC
FINANCIAL STATEMENTS**

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments.	\$ 347,910,041	\$ 208,218,470	\$ 556,128,511
Cash with fiscal and escrow agents.	17,150	-	17,150
Receivables:			
Property and other local taxes	21,995,370	-	21,995,370
Municipal income taxes.	24,582,014	-	24,582,014
Accounts.	6,258,461	15,617,585	21,876,046
Payments in lieu of taxes.	1,353,990	-	1,353,990
Special assessments	558,046	1,305,614	1,863,660
Accrued interest	780,150	410,616	1,190,766
Due from other governments.	22,101,640	3,831,832	25,933,472
Loans receivable.	24,289,283	348,121	24,637,404
Leases.	2,415,005	1,794,325	4,209,330
Internal balance	319,920	(319,920)	-
Materials and supplies inventory.	725,254	2,321,221	3,046,475
Prepayments	1,279,552	175,814	1,455,366
Inventory held for resale.	509,578	-	509,578
Leases - noncurrent.	-	12,731,593	12,731,593
Net pension asset.	1,173,749	837,766	2,011,515
Net OPEB asset	9,079,450	6,480,490	15,559,940
Restricted assets:			
Equity in pooled cash and investments.	203,703	1,310,391	1,514,094
Investments with fiscal and escrow agents.	174	12,952,496	12,952,670
Capital assets:			
Land, right of ways, and construction in progress.	77,428,647	81,451,245	158,879,892
Depreciable/amortizable capital assets, net.	410,479,744	536,303,454	946,783,198
Total capital assets, net.	<u>487,908,391</u>	<u>617,754,699</u>	<u>1,105,663,090</u>
Total assets	<u>953,460,921</u>	<u>885,771,113</u>	<u>1,839,232,034</u>
Deferred outflows of resources:			
Asset retirement obligations.	2,325,000	510,000	2,835,000
Unamortized deferred charges on debt refunding	564,620	1,198,330	1,762,950
Pension and OPEB.	63,989,038	9,321,728	73,310,766
Total deferred outflows of resources	<u>66,878,658</u>	<u>11,030,058</u>	<u>77,908,716</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable.	\$ 1,997,472	\$ 1,396,704	\$ 3,394,176
Contracts payable.	4,144,744	5,964,487	10,109,231
Retainage payable	419,206	2,177,219	2,596,425
Accrued wages and benefits payable	8,019,467	2,353,948	10,373,415
Due to other governments	4,656,133	3,365,687	8,021,820
Unearned revenue	73,136,303	-	73,136,303
Accrued interest payable	260,830	561,244	822,074
Payable from restricted assets:			
Utility deposits.	-	224,146	224,146
Asset retirement obligation.	2,325,000	510,000	2,835,000
Long-term liabilities:			
Due within one year	20,494,314	11,713,238	32,207,552
Due in more than one year.	92,442,813	180,897,586	273,340,399
Net pension liability.	156,943,550	20,297,018	177,240,568
Net OPEB liability.	23,084,233	384,183	23,468,416
Total liabilities	387,924,065	229,845,460	617,769,525
Deferred inflows of resources:			
Unamortized deferred loss on refunding.	2,297,478	-	2,297,478
Property taxes levied for the next fiscal year.	15,180,992	-	15,180,992
Pension and OPEB.	94,753,788	34,631,867	129,385,655
Leases.	2,415,292	14,273,408	16,688,700
Payments in lieu of taxes levied for the next fiscal year	1,353,990	-	1,353,990
Total deferred inflows of resources	116,001,540	48,905,275	164,906,815
Net position:			
Net investment in capital assets.	422,099,338	444,331,123	866,430,461
Restricted for:			
Permanent fund:			
Expendable.	82,463	-	82,463
Nonexpendable.	102,228	-	102,228
Capital projects	38,162,517	-	38,162,517
Debt service	31,693,393	14,038,741	45,732,134
Housing and urban development.	3,790,522	-	3,790,522
Special projects.	17,138,896	-	17,138,896
Street and highway projects	5,281,802	-	5,281,802
Other purposes.	5,262,065	-	5,262,065
Unrestricted (deficit).	(7,199,250)	159,680,572	152,481,322
Total net position	\$ 516,413,974	\$ 618,050,436	\$ 1,134,464,410

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<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	\$ 69,808	\$ 378	\$ -	\$ -
Youth, education and human services.	27,506	6,162	-	-
Community development and neighborhoods.	23,938,856	3,543,283	7,857,239	-
Economic development	14,075,369	2,208,754	976,194	-
Leadership and quality of life	41,544,959	6,098,456	10,893,164	6,437,120
Corporate responsibility.	15,269,428	4,065,086	207,913	-
Public safety and justice.	114,040,610	26,250,227	39,576,051	-
Interest and fiscal charges.	2,375,389	-	-	-
Total governmental activities	<u>211,341,925</u>	<u>42,172,346</u>	<u>59,510,561</u>	<u>6,437,120</u>
Business-type activities:				
Dayton International Airport.	36,580,249	19,894,551	-	14,248,051
Water.	49,184,442	51,407,290	-	214,000
Sewer.	36,513,792	38,626,803	-	75,000
Other business-type activities:				
Storm Water.	7,223,546	8,093,270	-	-
Total business-type activities	<u>129,502,029</u>	<u>118,021,914</u>	<u>-</u>	<u>14,537,051</u>
Total primary government	<u>\$ 340,843,954</u>	<u>\$ 160,194,260</u>	<u>\$ 59,510,561</u>	<u>\$ 20,974,171</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		
Governmental Activities	Business-type Activities	Total
\$ (69,430)	\$ -	\$ (69,430)
(21,344)	-	(21,344)
(12,538,334)	-	(12,538,334)
(10,890,421)	-	(10,890,421)
(18,116,219)	-	(18,116,219)
(10,996,429)	-	(10,996,429)
(48,214,332)	-	(48,214,332)
(2,375,389)	-	(2,375,389)
<u>(103,221,898)</u>	<u>-</u>	<u>(103,221,898)</u>
-	(2,437,647)	(2,437,647)
-	2,436,848	2,436,848
-	2,188,011	2,188,011
-	869,724	869,724
-	<u>3,056,936</u>	<u>3,056,936</u>
<u>(103,221,898)</u>	<u>3,056,936</u>	<u>(100,164,962)</u>
6,385,498	-	6,385,498
7,299,785	-	7,299,785
153,481,195	-	153,481,195
1,645,403	-	1,645,403
17,997,082		17,997,082
(10,649,360)	(4,706,412)	(15,355,772)
3,376,795	15,297,807	18,674,602
<u>179,536,398</u>	<u>10,591,395</u>	<u>190,127,793</u>
76,314,500	13,648,331	89,962,831
440,099,474	604,402,105	1,044,501,579
<u>\$ 516,413,974</u>	<u>\$ 618,050,436</u>	<u>\$ 1,134,464,410</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Assets:				
Equity in pooled cash and investments.	\$ 83,265,340	\$ 116,661,656	\$ 19,726,607	\$ 71,568,056
Cash with fiscal and escrow agents.	17,150	-	-	-
Receivables:				
Property and other local taxes.	9,921,875	-	12,073,495	-
Municipal income taxes.	24,582,014	-	-	-
Accounts.	5,970,031	-	56,250	25,628
Payments in lieu of taxes.	-	-	-	1,353,990
Special assessments	558,046	-	-	-
Interfund loans.	1,125,082	-	-	-
Accrued interest	479,860	226,753	375	-
Due from other governments.	6,169,359	-	146,619	3,499,789
Loans receivable.	13,030,000	-	8,305,000	681,584
Leases receivable.	2,007,053	-	407,952	-
Advances to other funds	776,000	-	-	500,000
Materials and supplies inventory.	11,213	-	-	98,234
Prepayments	1,256,219	-	-	-
Restricted assets:				
Equity in pooled cash and investments	203,703	-	-	-
Investments with fiscal and escrow agents.	-	-	-	174
Total assets	<u>\$ 149,372,945</u>	<u>\$ 116,888,409</u>	<u>\$ 40,716,298</u>	<u>\$ 77,727,455</u>
Liabilities:				
Accounts payable.	\$ 1,160,911	\$ -	\$ -	\$ 199,262
Contracts payable.	2,451,192	28,207	-	759,355
Accrued wages and benefits payable	7,622,648	-	-	4,166
Retainage payable	-	-	-	412,232
Interfund loans payable.	-	-	-	-
Advances from other funds.	5,275,000	-	-	-
Due to other governments	4,554,808	-	-	4,426
Claims and judgments payable	14,981	-	-	-
Claimants payable	62,425	-	-	-
Unearned revenue	-	73,136,303	-	-
Total liabilities	<u>21,141,965</u>	<u>73,164,510</u>	<u>-</u>	<u>1,379,441</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	6,831,495	-	8,349,497	-
Delinquent property tax revenue not available.	3,046,908	-	3,723,998	-
Accrued interest not available	298,437	141,743	-	-
Special assessments revenue not available.	558,046	-	-	-
Miscellaneous revenue not available.	2,491,423	-	56,250	16,568
Income tax revenue not available	10,826,771	-	-	-
Intergovernmental revenue not available	3,559,834	-	146,619	2,549,326
Payments in lieu of taxes levied for the next fiscal year.	-	-	-	1,353,990
Leases.	2,002,714	-	412,578	-
Total deferred inflows of resources	<u>29,615,628</u>	<u>141,743</u>	<u>12,688,942</u>	<u>3,919,884</u>
Fund balances:				
Nonspendable	15,862,644	-	-	98,234
Restricted.	1,595,150	-	27,531,340	20,233,743
Committed	3,685,119	43,582,156	496,016	31,514,731
Assigned	36,030,559	-	-	20,581,422
Unassigned.	41,441,880	-	-	-
Total fund balances.	<u>98,615,352</u>	<u>43,582,156</u>	<u>28,027,356</u>	<u>72,428,130</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 149,372,945</u>	<u>\$ 116,888,409</u>	<u>\$ 40,716,298</u>	<u>\$ 77,727,455</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Non-Major Funds	Total Governmental Funds
\$ 22,666,970	\$ 313,888,629
-	17,150
-	21,995,370
-	24,582,014
205,845	6,257,754
-	1,353,990
-	558,046
-	1,125,082
28,960	735,948
12,204,478	22,020,245
2,272,699	24,289,283
-	2,415,005
-	1,276,000
615,807	725,254
19,038	1,275,257
-	203,703
-	174
<u>\$ 38,013,797</u>	<u>\$ 422,718,904</u>
\$ 437,120	\$ 1,797,293
901,629	4,140,383
226,673	7,853,487
6,974	419,206
1,125,082	1,125,082
776,000	6,051,000
54,146	4,613,380
-	14,981
-	62,425
-	73,136,303
<u>3,527,624</u>	<u>99,213,540</u>
-	15,180,992
-	6,770,906
18,102	458,282
-	558,046
227,827	2,792,068
-	10,826,771
10,641,698	16,897,477
-	1,353,990
-	2,415,292
<u>10,887,627</u>	<u>57,253,824</u>
921,109	16,881,987
23,331,875	72,692,108
-	79,278,022
-	56,611,981
<u>(654,438)</u>	<u>40,787,442</u>
<u>23,598,546</u>	<u>266,251,540</u>
<u>\$ 38,013,797</u>	<u>\$ 422,718,904</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		\$ 266,251,540
<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.		486,892,530
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	\$ 6,770,906	
Municipal income taxes receivable	10,826,771	
Accounts receivable	2,792,068	
Special assessments receivable	558,046	
Accrued interest receivable	458,282	
Due from other governments	16,897,478	
Total		38,303,551
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 \$319,920 are:		29,720,957
4. In the statement of net position interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.		(260,830)
5. Unamortized deferred amounts on refundings are not recognized in the governmental funds.		(1,732,858)
6. Unamortized premiums on bond issuances are not recognized in the governmental funds.		(4,435,755)
7. The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds		1,091,998
8. The net OPEB asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds		8,447,082
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.		(178,002,107)
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.		(28,516,721)
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	(55,085,000)	
Revenue bonds	(21,230,000)	
State Infrastructure Bank Loan	(1,950,976)	
State Infrastructure Bank Bonds	(2,565,000)	
Compensated absences	(12,770,355)	
Leases	(5,321,462)	
OPWC loans	(1,528,057)	
ODOD Loan	(894,563)	
Total		(101,345,413)
Net position of governmental activities		\$ 516,413,974

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, 2022

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Revenues:				
Municipal income taxes	\$ 151,089,530	\$ -	\$ -	\$ -
Property and other taxes.	6,638,831	-	7,884,733	225,260
State shared taxes.	9,142,458	-	-	-
Charges for services.	29,300,991	-	419,093	151,900
Licenses and permits	3,663,840	-	-	-
Fines and forfeitures	3,862,866	-	-	-
Intergovernmental.	7,128,170	39,165,768	991,985	6,601,418
Special assessments	350,832	-	19,748	-
Investment income.	2,289,544	576,742	2,499	169
Payments in lieu of taxes.	-	-	-	1,645,403
Decrease in fair value of investments.	(8,085,100)	(4,128,501)	-	-
Other	3,363,920	-	12,875	305,737
Total revenues	<u>208,745,882</u>	<u>35,614,009</u>	<u>9,330,933</u>	<u>8,929,887</u>
Expenditures:				
Current:				
Downtown	2,064	-	-	-
Youth, education and human services.	33,683	-	-	-
Community development and neighborhoods.	17,599,718	-	-	74,523
Economic development	6,894,139	4,725,000	-	1,485,577
Leadership and quality of life	26,968,848	969,296	-	1,661,171
Corporate responsibility.	17,132,878	60,000	261,942	2,011
Public safety and justice.	118,814,947	-	-	-
Capital outlay	-	-	-	22,032,208
Debt service:				
Bond issuance costs	-	-	-	285,846
Principal retirement.	280,113	-	6,734,084	-
Interest and fiscal charges	77,221	-	2,392,601	-
Total expenditures	<u>187,803,611</u>	<u>5,754,296</u>	<u>9,388,627</u>	<u>25,541,336</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>20,942,271</u>	<u>29,859,713</u>	<u>(57,694)</u>	<u>(16,611,449)</u>
Other financing sources (uses):				
Bond issuance.	-	-	-	21,710,000
Transfers in	37,514,943	26,214,943	925,400	18,812,200
Transfers (out).	(46,032,245)	(37,514,943)	-	-
Premium on bond issuance	-	-	874,881	308,531
Total other financing sources (uses)	<u>(8,517,302)</u>	<u>(11,300,000)</u>	<u>1,800,281</u>	<u>40,830,731</u>
Net change in fund balances	12,424,969	18,559,713	1,742,587	24,219,282
Fund balances at beginning of year	<u>86,190,383</u>	<u>25,022,443</u>	<u>26,284,769</u>	<u>48,208,848</u>
Fund balances at end of year	<u>\$ 98,615,352</u>	<u>\$ 43,582,156</u>	<u>\$ 28,027,356</u>	<u>\$ 72,428,130</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Non-Major Funds	Total Governmental Funds
\$ -	\$ 151,089,530
-	14,748,824
7,513,069	16,655,527
559,676	30,431,660
33,890	3,697,730
813,415	4,676,281
9,637,674	63,525,015
136,919	507,499
68,239	2,937,193
-	1,645,403
(487,321)	(12,700,922)
2,199,995	5,882,527
<u>20,475,556</u>	<u>283,096,267</u>
-	2,064
-	33,683
8,894,051	26,568,292
1,204,339	14,309,055
10,085,144	39,684,459
722,691	18,179,522
3,114,463	121,929,410
6,974	22,039,182
-	285,846
-	7,014,197
-	2,469,822
<u>24,027,662</u>	<u>252,515,532</u>
<u>(3,552,106)</u>	<u>30,580,735</u>
-	21,710,000
79,702	83,547,188
-	(83,547,188)
-	1,183,412
<u>79,702</u>	<u>22,893,412</u>
(3,472,404)	53,474,147
<u>27,070,950</u>	<u>212,777,393</u>
<u>\$ 23,598,546</u>	<u>\$ 266,251,540</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, 2022

Net change in fund balances - total governmental funds		\$ 53,474,147
<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 (\$26,711,734) exceeded depreciation expense (\$14,572,871) in the current period (exclusive of internal service fund activity).		12,138,864
2. The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(14,674)
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	\$ 2,391,665	
Property and other local taxes	(1,063,541)	
Charges for services	418,768	
Intergovernmental	3,013,663	
Special assessments	(92,912)	
Investment income	318,548	
Total		4,986,191
4. Repayments of bond, loan and lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net position.		7,014,197
5. Issuance of bonds 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.		(21,710,000)
6. Premiums and discounts on bonds and notes are amortized over the life of the issuance in the statement of activities.		(1,183,412)
7. 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	(88,732)	
Amortization of bond premiums and discounts	211,067	
Amortization of deferred charges on refundings	257,944	
Total		380,279
8. 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.		835,866
9. 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	17,480,878	
OPEB	336,664	
Total		17,817,542
10. 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	(2,003,068)	
OPEB	6,129,652	
Total		4,126,584
11. 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 \$198,010, is allocated among governmental activities.		(1,551,084)
Change in net position of governmental activities		\$ 76,314,500

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Municipal income taxes.	\$ 135,876,000	\$ 144,876,000	\$ 154,563,220	\$ 9,687,220
Property and other taxes.	6,480,800	6,944,200	6,635,669	(308,531)
State shared taxes	7,631,600	8,304,500	8,751,284	446,784
Charges for services.	28,769,400	28,956,450	29,079,968	123,518
Licenses and permits	3,022,400	3,349,500	3,662,286	312,786
Fines and forfeitures	2,813,500	2,813,500	4,261,148	1,447,648
Intergovernmental.	4,242,000	4,242,000	4,629,496	387,496
Special assessments	465,000	465,000	674,780	209,780
Investment income.	2,897,800	2,897,800	2,147,318	(750,482)
Other	2,759,500	2,774,500	3,816,010	1,041,510
Total revenues	<u>194,958,000</u>	<u>205,623,450</u>	<u>218,221,179</u>	<u>12,597,729</u>
Expenditures:				
Current:				
Downtown	-	-	101,070	(101,070)
Youth, education and human services.	-	-	33,377	(33,377)
Community development and neighborhoods.	19,578,700	19,684,195	18,839,656	844,539
Economic development	11,136,000	11,085,600	7,570,607	3,514,993
Leadership and quality of life	33,816,950	32,167,650	30,515,689	1,651,961
Corporate responsibility.	19,801,100	18,507,300	18,608,211	(100,911)
Public safety and justice.	115,931,900	117,213,900	115,861,445	1,352,455
Other	6,066,800	5,621,900	3,450,025	2,171,875
Total expenditures	<u>206,331,450</u>	<u>204,280,545</u>	<u>194,980,080</u>	<u>9,300,465</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(11,373,450)</u>	<u>1,342,905</u>	<u>23,241,099</u>	<u>21,898,194</u>
Other financing uses:				
Transfers in	-	37,515,000	11,300,000	(26,215,000)
Transfers (out)	(9,047,700)	(47,637,700)	(19,817,302)	27,820,398
Total other financing uses	<u>(9,047,700)</u>	<u>(10,122,700)</u>	<u>(8,517,302)</u>	<u>1,605,398</u>
Net change in fund balances	(20,421,150)	(8,779,795)	14,723,797	23,503,592
Fund balance at beginning of year	81,684,295	81,684,295	81,684,295	-
Prior year encumbrances appropriated	4,272,443	4,272,443	4,272,443	-
Balance Sheet Adjustments.	1,370	1,370	1,370	-
Fund balance at end of year	<u>\$ 65,536,958</u>	<u>\$ 77,178,313</u>	<u>\$ 100,681,905</u>	<u>\$ 23,503,592</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, 2022

	<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	42,773,087	68,988,087	26,215,000
Investment income.	-	-	505,828	505,828
Total revenues	<u>68,988,087</u>	<u>42,773,087</u>	<u>69,493,915</u>	<u>26,720,828</u>
Expenditures:				
Current:				
Other.	<u>137,598,371</u>	<u>100,083,391</u>	<u>22,166,498</u>	<u>77,916,893</u>
Total expenditures	<u>137,598,371</u>	<u>100,083,391</u>	<u>22,166,498</u>	<u>77,916,893</u>
Excess of revenues over expenditures.	<u>(68,610,284)</u>	<u>(57,310,304)</u>	<u>47,327,417</u>	<u>104,637,721</u>
Other financing sources:				
Transfers in	-	26,215,000	26,215,000	-
Transfers (out)	-	<u>(37,515,000)</u>	<u>(37,515,000)</u>	-
Total other financing sources	<u>-</u>	<u>(11,300,000)</u>	<u>(11,300,000)</u>	<u>-</u>
Net change in fund balances	(68,610,284)	(68,610,304)	36,027,417	104,637,721
Fund balance at beginning of year	68,713,642	68,713,642	68,713,642	-
Prior year encumbrances appropriated	16,192,355	16,192,355	16,192,355	-
Balance Sheet Adjustments.	-	-	<u>(68,713,642)</u>	<u>(68,713,642)</u>
Fund balance at end of year	<u>\$ 16,295,713</u>	<u>\$ 16,295,693</u>	<u>\$ 52,219,772</u>	<u>\$ 35,924,079</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, 2022

Business-type Activities - Enterprise Funds

	Dayton			Nonmajor Enterprise Funds
	International Airport	Water	Sewer	
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 49,029,556	\$ 89,206,789	\$ 47,874,287	\$ 22,107,838
Receivables:				
Accounts	2,039,124	7,032,764	4,790,802	1,754,895
Special assessments	-	487,956	259,175	558,483
Accrued interest	130,042	151,721	85,003	43,850
Due from other funds	-	4,182,127	-	-
Due from other governments	3,477,811	354,021	-	-
Loans receivable	-	348,121	-	-
Leases	1,586,914	207,411	-	-
Advances to other funds	-	-	-	-
Materials and supplies inventory	181,349	2,139,872	-	-
Inventory held for resale	-	-	-	-
Prepayments	30,934	142,614	2,266	-
Total current assets	<u>56,475,730</u>	<u>104,253,396</u>	<u>53,011,533</u>	<u>24,465,066</u>
Noncurrent assets:				
Net pension asset	128,241	421,054	218,474	69,997
Net OPEB asset	992,001	3,257,034	1,689,996	541,459
Leases	12,469,540	262,053	-	-
Capital assets:				
Land and construction in progress	36,209,558	17,869,087	25,686,971	1,685,629
Depreciable capital assets, net	244,556,901	159,431,123	118,700,552	13,614,878
Total capital assets, net	<u>280,766,459</u>	<u>177,300,210</u>	<u>144,387,523</u>	<u>15,300,507</u>
Restricted assets:				
Equity in pooled cash and investments	1,086,245	224,146	-	-
Investments with fiscal and escrow agents	6,578,593	4,105,440	2,268,463	-
Total restricted assets	<u>7,664,838</u>	<u>4,329,586</u>	<u>2,268,463</u>	<u>-</u>
Total noncurrent assets	<u>302,021,079</u>	<u>185,569,937</u>	<u>148,564,456</u>	<u>15,911,963</u>
Total assets	<u>358,496,809</u>	<u>289,823,333</u>	<u>201,575,989</u>	<u>40,377,029</u>
Deferred outflows of resources:				
Asset retirement obligation	420,000	65,000	25,000	-
Unamortized deferred charges on debt refunding	902,837	146,240	149,253	-
Pension	2,025,433	4,186,381	2,091,447	665,487
OPEB	259,258	65,268	17,830	10,624
Total deferred outflows of resources	<u>3,607,528</u>	<u>4,462,889</u>	<u>2,283,530</u>	<u>676,111</u>
Total assets and deferred outflows of resources	<u>362,104,337</u>	<u>294,286,222</u>	<u>203,859,519</u>	<u>41,053,140</u>

Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds	
\$	208,218,470	\$	34,021,412
	15,617,585		707
	1,305,614		-
	410,616		44,202
	4,182,127		-
	3,831,832		81,395
	348,121		-
	1,794,325		-
	-		4,775,000
	2,321,221		-
	-		509,578
	175,814		4,295
	<u>238,205,725</u>		<u>39,436,589</u>
	837,766		81,751
	6,480,490		632,368
	12,731,593		-
	81,451,245		75,000
	536,303,454		940,861
	<u>617,754,699</u>		<u>1,015,861</u>
	1,310,391		-
	12,952,496		-
	<u>14,262,887</u>		<u>-</u>
	<u>652,067,435</u>		<u>1,729,980</u>
	<u>890,273,160</u>		<u>41,166,569</u>
	510,000		2,070,000
	1,198,330		-
	8,968,748		1,386,742
	352,980		201,423
	<u>11,030,058</u>		<u>3,658,165</u>
	<u>901,303,218</u>		<u>44,824,734</u>

- - Continued

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
DECEMBER 31, 2022

Business-type Activities - Enterprise Funds

	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Liabilities:				
Current liabilities:				
Accounts payable	93,308	1,153,063	134,004	16,329
Contracts payable	1,422,599	2,223,728	2,127,926	190,234
Retainage payable	832,947	446,626	859,517	38,129
Accrued wages and benefits payable	467,944	1,122,727	603,337	159,940
Due to other funds	-	-	3,346,739	835,388
Due to other governments	1,391,928	504,771	1,424,396	44,592
Accrued interest payable	238,215	213,775	102,212	7,042
Compensated absences payable - current	430,192	1,230,459	568,065	177,031
General obligation bonds payable	655,000	765,000	545,000	160,000
Revenue bonds payable	3,325,000	2,010,000	1,305,000	-
OWDA loans payable	-	-	320,102	-
Other loans payable	222,389	-	-	-
Claims and judgments payable	-	-	-	-
Asset retirement obligations	420,000	65,000	25,000	-
Payable from restricted assets:				
Utility deposits	-	224,146	-	-
Total current liabilities	9,499,522	9,959,295	11,361,298	1,628,685
Long-term liabilities:				
Compensated absences payable	220,653	622,051	291,371	90,802
General obligation bonds payable	4,861,307	10,971,616	7,370,840	2,540,000
Revenue bonds payable	59,406,485	48,649,000	27,177,031	-
OWDA loans payable	-	-	14,893,020	-
Other loans payable	3,803,410	-	-	-
Net OPEB liability	347,158	37,025	-	-
Net pension liability	4,750,485	9,311,579	4,722,051	1,512,903
Claims and judgments payable	-	-	-	-
Total long-term liabilities	73,389,498	69,591,271	54,454,313	4,143,705
Total liabilities	82,889,020	79,550,566	65,815,611	5,772,390
Deferred inflows of resources:				
Leases	13,804,579	468,829	-	-
OPEB	1,759,312	3,560,046	1,748,777	569,901
Pension	7,497,392	11,774,442	5,794,807	1,927,190
Total deferred inflows of resources	23,061,283	15,803,317	7,543,584	2,497,091
Total liabilities and deferred inflows of resources.	105,950,303	95,353,883	73,359,195	8,269,481
Net position:				
Net investment in capital assets	207,140,159	134,880,480	89,938,340	12,372,144
Restricted for debt service	7,664,838	4,105,440	2,268,463	-
Unrestricted	41,349,037	59,946,419	38,293,521	20,411,515
Total net position	\$ 256,154,034	\$ 198,932,339	\$ 130,500,324	\$ 32,783,659

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
1,396,704	200,179
5,964,487	4,361
2,177,219	-
2,353,948	165,980
4,182,127	-
3,365,687	42,753
561,244	-
2,405,747	217,363
2,125,000	-
6,640,000	-
320,102	-
222,389	-
-	3,718,389
510,000	2,070,000
224,146	-
<u>32,448,800</u>	<u>6,419,025</u>
1,224,877	111,497
25,743,763	-
135,232,516	-
14,893,020	-
3,803,410	-
384,183	71,124
20,297,018	2,172,302
-	3,031,304
<u>201,578,787</u>	<u>5,386,227</u>
<u>234,027,587</u>	<u>11,805,252</u>
14,273,408	-
7,638,036	887,477
<u>26,993,831</u>	<u>2,730,968</u>
<u>48,905,275</u>	<u>3,618,445</u>
<u>282,932,862</u>	<u>15,423,697</u>
444,331,123	1,015,861
14,038,741	-
<u>160,000,492</u>	<u>28,385,176</u>
618,370,356	<u>\$ 29,401,037</u>
(319,920)	
<u>\$ 618,050,436</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			Nonmajor Enterprise Fund
	Dayton International Airport	Water	Sewer	
Operating revenues:				
Charges for services	\$ 19,894,551	\$ 51,407,290	\$ 38,626,803	\$ 8,093,270
Other operating revenues	5,741,129	6,813,902	1,653,671	808
Total operating revenues.	<u>25,635,680</u>	<u>58,221,192</u>	<u>40,280,474</u>	<u>8,094,078</u>
Operating expenses:				
Personnel services	6,581,241	17,652,598	9,048,649	2,882,562
Fringe benefits.	(2,202,882)	(1,241,918)	(275,092)	52,703
Contract services.	7,307,519	8,758,697	10,648,426	2,651,565
Materials and supplies.	675,758	5,568,637	4,237,803	240,538
Cost of sales.	-	-	-	-
Utilities	2,110,632	6,378,375	3,210,041	53,362
Claims expense	-	-	-	-
Depreciation.	16,230,489	8,087,002	7,263,027	800,195
Other	2,909,588	2,218,146	1,249,231	414,120
Total operating expenses.	<u>33,612,345</u>	<u>47,421,537</u>	<u>35,382,085</u>	<u>7,095,045</u>
Operating income (loss)	<u>(7,976,665)</u>	<u>10,799,655</u>	<u>4,898,389</u>	<u>999,033</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(2,981,728)	(1,651,931)	(1,038,039)	(88,843)
Gain (loss) on sale of capital assets.	1,088,297	(6,060)	(26,406)	-
Interest income.	598,627	525,623	529,462	170,137
Decrease in fair value of investments.	(1,902,063)	(2,483,635)	(1,422,554)	(722,009)
Total nonoperating revenues (expenses).	<u>(3,196,867)</u>	<u>(3,616,003)</u>	<u>(1,957,537)</u>	<u>(640,715)</u>
Income (loss) before contributions.	(11,173,532)	7,183,652	2,940,852	358,318
Capital contributions.	14,248,051	214,000	75,000	-
Change in net position	3,074,519	7,397,652	3,015,852	358,318
Net position at beginning of year.	<u>253,079,515</u>	<u>191,534,687</u>	<u>127,484,472</u>	<u>32,425,341</u>
Net position at end of year	<u>\$ 256,154,034</u>	<u>\$ 198,932,339</u>	<u>\$ 130,500,324</u>	<u>\$ 32,783,659</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
\$ 118,021,914	\$ 38,333,838
14,209,510	440,107
132,231,424	38,773,945
36,165,050	3,698,655
(3,667,189)	(220,952)
29,366,207	7,214,540
10,722,736	275,941
-	5,887,942
11,752,410	26,311
-	22,865,585
32,380,713	75,998
6,791,085	272,986
123,511,012	40,097,006
8,720,412	(1,323,061)
(5,760,541)	-
1,055,831	-
1,823,849	299,177
(6,530,261)	(725,210)
(9,411,122)	(426,033)
(690,710)	(1,749,094)
14,537,051	-
13,846,341	(1,749,094)
	31,150,131
	\$ 29,401,037
(198,010)	
\$ 13,648,331	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Cash flows from operating activities:				
Cash received from customers.	\$ 20,545,352	\$ 52,956,309	\$ 39,206,017	\$ 8,310,445
Cash received from interfund services provided.	-	-	-	-
Cash received from other operations	5,787,535	6,319,425	1,653,671	808
Cash payments for personnel services.	(6,561,021)	(17,589,440)	(9,088,672)	(2,912,824)
Cash payments for fringe benefits.	(2,422,768)	(6,444,759)	(3,283,527)	(1,176,009)
Cash payments for contractual services	(7,131,385)	(8,346,017)	(10,360,666)	(2,605,827)
Cash payments for materials and supplies	(859,695)	(5,492,769)	(4,232,112)	(268,320)
Cash payments for cost of goods sold.	-	-	-	-
Cash payments for utilities.	(2,177,154)	(5,839,577)	(2,673,235)	(53,397)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(2,886,445)	(2,374,043)	(1,254,411)	(414,257)
Net cash provided by (used in) operating activities.	<u>4,294,419</u>	<u>13,189,129</u>	<u>9,967,065</u>	<u>880,619</u>
Cash flows from noncapital financing activities:				
Cash received from loans to external party.	-	141,846	-	-
Cash payments for loans to external party.	-	(82,208)	-	-
Cash received from interfund loans.	-	-	-	-
Net cash provided by noncapital financing activities.	<u>-</u>	<u>59,638</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Capital contributions.	13,917,404	-	75,000	-
Cash received from the sale of capital assets.	2,577,475	-	-	-
Acquisition of capital assets	(12,169,778)	(12,161,551)	(16,104,269)	(777,689)
Principal paid on loans.	(217,445)	-	(1,044,725)	-
Interest paid on loans.	(82,880)	-	(33,185)	-
Principal paid on bonds.	(3,855,000)	(2,020,000)	(1,800,000)	(155,000)
Interest paid on bonds.	(2,982,455)	(1,419,756)	(1,221,250)	(89,237)
Bond issuance costs.	-	(279,012)	-	-
Bond proceeds.	-	23,080,000	-	-
Premium on bonds.	-	1,600,325	-	-
Loan proceeds.	-	-	7,618,446	-
Net cash provided by (used in) capital and related financing activities.	<u>(2,812,679)</u>	<u>8,800,006</u>	<u>(12,509,983)</u>	<u>(1,021,926)</u>
Cash flows from investing activities:				
Interest received and fair value adjustment	(1,374,909)	(2,027,660)	(938,205)	(572,505)
Net cash used in investing activities.	<u>(1,374,909)</u>	<u>(2,027,660)</u>	<u>(938,205)</u>	<u>(572,505)</u>
Net increase (decrease) in cash and investments.	106,831	20,021,113	(3,481,123)	(713,812)
Cash and investments at beginning of year.	<u>56,587,563</u>	<u>73,515,262</u>	<u>53,623,873</u>	<u>22,821,650</u>
Cash and investments at end of year.	<u>\$ 56,694,394</u>	<u>\$ 93,536,375</u>	<u>\$ 50,142,750</u>	<u>\$ 22,107,838</u>

Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds	
\$	121,018,123	\$	-
	-		38,286,067
	13,761,439		440,107
	(36,151,957)		(3,663,623)
	(13,327,063)		(1,390,060)
	(28,443,895)		(7,192,043)
	(10,852,896)		(345,675)
	-		(5,898,841)
	(10,743,363)		(25,092)
	-		(22,282,021)
	(6,929,156)		(272,156)
	<u>28,331,232</u>		<u>(2,343,337)</u>
	141,846		-
	(82,208)		-
	-		<u>1,505,000</u>
	<u>59,638</u>		<u>1,505,000</u>
	13,992,404		-
	2,577,475		-
	(41,213,287)		-
	(1,262,170)		-
	(116,065)		-
	(7,830,000)		-
	(5,712,698)		-
	(279,012)		-
	23,080,000		-
	1,600,325		-
	7,618,446		-
	<u>(7,544,582)</u>		<u>-</u>
	<u>(4,913,279)</u>		<u>(446,253)</u>
	<u>(4,913,279)</u>		<u>(446,253)</u>
	15,933,009		(1,284,590)
	206,548,348		35,306,002
\$	<u><u>222,481,357</u></u>	\$	<u><u>34,021,412</u></u>

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**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	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)	\$ (7,976,665)	\$ 10,799,655	\$ 4,898,389	\$ 999,033
Adjustments:				
Depreciation.	16,230,489	8,087,002	7,263,027	800,195
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable.	982,956	1,338,536	602,334	242,815
Net pension asset.	(5,361)	(112,023)	(63,139)	(18,228)
Net OPEB asset.	(237,240)	(1,358,886)	(735,891)	(223,483)
Deferred outflows - pension.	(815,106)	(1,697,598)	(972,254)	(236,679)
Deferred outflows - OPEB.	360,486	940,358	462,413	166,502
Leases receivable.	(14,056,454)	(469,464)	-	-
Due from other funds.	-	(384,319)	-	-
Due from other governments.	(33,874)	94,357	-	-
Prepayments.	206,091	110,048	86,814	-
Special assessments receivable.	-	(18,014)	(23,120)	(25,640)
Materials and supplies inventory.	(117,933)	(70,470)	-	-
Inventory held for resale.	-	-	-	-
Accounts payable.	(330,405)	(800,851)	(592,078)	(429,539)
Contracts payable.	(216,401)	1,447,690	(825,629)	267,913
Retainage payable.	460,140	233,337	651,240	34,395
Accrued wages and benefits.	62,278	106,803	25,069	(7,459)
Due to other funds.	-	-	230,819	153,500
Net pension liability.	(3,484,904)	(6,831,702)	(3,257,105)	(1,146,319)
Net OPEB liability.	48,231	(4,801)	-	-
Deferred inflows - pension.	1,125,655	4,117,276	2,248,405	762,660
Deferred inflows - OPEB.	(1,620,453)	(2,743,415)	(1,231,546)	(420,959)
Deferred inflows - leases	13,804,579	468,829	-	-
Due to other governments.	(54,265)	(64,504)	1,262,953	(11,025)
Compensated absences payable.	(37,425)	(23,332)	(63,636)	(27,063)
Utility deposits.	-	24,617	-	-
Claims payable.	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 4,294,419</u>	<u>\$ 13,189,129</u>	<u>\$ 9,967,065</u>	<u>\$ 880,619</u>

Non-cash transactions:

During 2022, the Dayton International Airport received \$3,374,431 in capital grants, which were recognized as receivables in 2021. Receivables in the amount of \$3,705,078 have been recorded for capital grants in 2022 for the Dayton International Airport.

At December 31, 2022, the Dayton International Airport, Water, Sewer and Storm Water enterprise funds purchased \$1,583,168, \$1,307,994, \$3,168,878, and \$214,106 respectively, in capital assets on account. 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.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 8,720,412	\$ (1,323,061)
32,380,713	75,998
3,166,641	6,011
(198,751)	(19,488)
(2,555,500)	(249,926)
(3,721,637)	(292,867)
1,929,759	254,531
(14,525,918)	-
(384,319)	-
60,483	(53,782)
402,953	(1,146)
(66,774)	-
(188,403)	-
-	(7,859)
(2,152,873)	(27,116)
673,573	(21,992)
1,379,112	-
186,691	52,321
384,319	-
(14,720,030)	(1,486,858)
43,430	(497)
8,253,996	763,406
(6,016,373)	(591,845)
14,273,408	-
1,133,159	3,651
(151,456)	(6,382)
24,617	-
-	583,564
<u>\$ 28,331,232</u>	<u>\$ (2,343,337)</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Custodial
Assets:	
Equity in pooled cash and investments	\$ 4,291,345
Cash with fiscal agent	1,396,090
Investments	1,222,341
Receivables (net of allowances for uncollectibles):	
Special assessments.	25,520,071
Income taxes	64,877
Total assets	32,494,724
Liabilities:	
Due to other governments	168,927
Due to others	861,402
Total liabilities	1,030,329
Net position:	
Restricted for individuals, organizations and other governments .	31,464,395
Total net position	\$ 31,464,395

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, 2022

	Custodial
Additions:	
From local sources:	
Amounts received as fiscal agent	\$ 167,910
Licenses, permits and fees for other governments	41,495
Fines and forfeitures for other governments	3,898,251
Income tax collection for other governments	545,655
Special assessments collections for other governments	14,323,635
Earnings on investments	27,924
Fair value adjustment	(141,273)
Other custodial fund collections	394,765
 Total additions	 19,258,362
Deductions:	
Distributions to the State of Ohio	379,497
Distributions of state funds to other governments	3,699,898
Distributions to individuals	87,160
Income tax distributions to other governments	420,307
Special assessment distributions to other governments	2,676,067
Other custodial fund disbursements	363,636
 Total deductions	 7,626,565
 Net change in fiduciary net position	 11,631,797
 Net position beginning of year	 19,832,598
 Net position end of year	 \$ 31,464,395

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, 2022

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 2022. 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, 2022

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 2022. 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 \$124,730 in revenues through the JEDD in 2022. 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 \$8,409 in revenues through the JEDD in 2022.

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 2022. 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@mcOhio.org

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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 2022. 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 2022, 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 2022, the City contributed \$28,305 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 2022, the City contributed \$99,990 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, 2022

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 2017-18 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 \$4,444,911 to Preschool Promise during 2022. 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 Kinsky, 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, 2022

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, 2022

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.

The other enterprise fund of the City is a nonmajor fund used to account for the provision of storm sewers to the residents of the City.

- 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, 2022

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, 2022

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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 17 and 18 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, 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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 17 and 18 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain 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 debt or refunding debt.

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, 2022

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 2022.

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, 2022

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 2022, 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, 2022. 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 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals exceeding \$100 million is encouraged. 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 2022 was \$2,289,544 in the general fund, which includes \$1,531,816 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, 2022

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	

The City is reporting intangible right to use assets related to leased buildings. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

M. Compensated Absences

The City follows the provisions of Governmental Accounting Standards Board Statement No. 16 “Accounting for Compensated Absences”. Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time and compensatory time when earned for all employees with more than one year of service.

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

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

P. Interfund Activity

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

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

R. Estimates

The preparation of the 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, 2022

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 2022, the City has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the City's 2022 financial statements. The City recognized \$2,698,755 in governmental activities and \$16,143,889 in business-type activities leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The City also recognized \$5,601,575 in governmental activities in leases payable at January 1, 2022; however, this entire amount was offset by the intangible asset, right to use lease - buildings.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
HUD	\$ 470,402

The general fund is liable for any deficit in this fund. The deficit fund balances resulted from the reimbursement nature of the grant activities and accrued liabilities.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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

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

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

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity.

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

A. Cash on Hand

At year-end, the City had \$46,975 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 \$17,150 held by the Dayton Foundation for donations related to Golf operations and recreation programs. In addition, there was \$174 held by Huntington Bank related to the State Infrastructure Bank bonds.

C. Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all City deposits was \$6,022,132. As of December 31, 2022, \$18,850,069 of the City’s bank balance of \$19,350,069 was exposed to custodial risk as discussed below, while \$500,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, 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.

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2022, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FFCB	\$ 79,799,909	\$ 2,944,290	\$ 7,987,306	\$ 16,535,923	\$ 12,442,429	\$ 39,889,961
FHLB	73,981,251	1,185,780	967,210	8,002,555	6,497,125	57,328,581
FHLMC	43,947,353	-	10,848,449	2,834,040	15,223,904	15,040,960
FNMA	33,362,823	-	3,896,185	1,874,600	10,486,307	17,105,731
FAMCA	2,669,655	-	2,669,655	-	-	-
FMCC	2,181,950	-	-	-	-	2,181,950
U.S. Treasury Notes	126,241,879	2,688,815	14,987,200	10,891,849	8,024,059	89,649,956
Municipal Bond	3,215,670	-	2,398,150	-	817,520	-
Negotiable CDs	3,542,969	1,475,192	-	-	237,167	1,830,610
Commercial Paper	55,174,629	41,724,347	13,450,282	-	-	-
Corporate Notes	10,605,462	-	-	3,771,080	-	6,834,382
<i>Amortized Cost:</i>						
Bond funds						
Money Market	1,222,341	1,222,341	-	-	-	-
U.S. Government						
Money Market	13,780,621	13,780,621	-	-	-	-
STAR Ohio	<u>121,505,729</u>	<u>121,505,729</u>	-	-	-	-
Total	\$ 571,232,241	\$ 186,527,115	\$ 57,204,437	\$ 43,910,047	\$ 53,728,511	\$ 229,862,131

The weighted average maturity of investments is 1.70 years. The City's investments are valued using quoted market prices (Level 2 inputs).

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

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

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following table includes the percentage of each investment type held by the City at December 31, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 79,799,909	13.97
Commercial Paper	55,174,629	9.66
Corporate Notes	10,605,462	1.86
FAMCA	2,669,655	0.47
FHLB	73,981,251	12.95
FHLMC	43,947,353	7.69
FNMA	33,362,823	5.84
FMCC	2,181,950	0.38
UST	126,241,879	22.11
Municipal Bond	3,215,670	0.56
Negotiable CDs	3,542,969	0.62
<i>Amortized Cost:</i>		
Bond Fund Money Market	1,222,341	0.21
US Government Money Market	13,780,621	2.41
STAR Ohio	121,505,729	21.27
Total	<u>\$ 571,232,241</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,022,132
Investments	557,057,404
Investments - Cash with fiscal agent	14,174,837
Cash on hand	46,975
Cash in segregated accounts	203,703
Cash with fiscal agent	17,150
Total	<u>\$ 577,522,201</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 348,131,068
Business type activities	222,481,357
Custodial funds	6,909,776
Total	<u>\$ 577,522,201</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - INTERFUND TRANSACTIONS

A. Due from/to other funds consisted of the following at December 31, 2022, as reported on the fund statements:

<u>Due to</u>	<u>Due from</u>		
	Nonmajor		Due from
	<u>Sewer</u>	<u>Enterprise</u>	<u>Total</u>
Water	\$ 3,346,739	\$ 835,388	\$ 4,182,127

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

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

B. Interfund loans consisted of the following at December 31, 2022, as reported on the fund statements:

<u>Interfund loan</u>	<u>Interfund loan payable</u>
<u>Receivable</u>	<u>Nonmajor Governmental</u>
General	\$ 1,125,082

Interfund loans between governmental funds are eliminated on the government-wide financial statements. The interfund loan of \$1,125,082 between the general fund and the HUD fund (a nonmajor governmental fund) is a short-term loan to eliminate the deficit cash balance due to the timing of grant payments and receipts.

C. Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported on the fund statements:

<u>Transfer from</u>	<u>Transfer to</u>						<u>Total</u>
	<u>General Fund</u>	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental</u>		
General	\$ -	\$ 26,214,943	\$ 925,400	\$ 18,812,200	\$ 79,702		\$ 46,032,245
Local Fiscal Recovery	37,514,943	-	-	-	-		37,514,943
Total	<u>\$37,514,943</u>	<u>\$26,214,943</u>	<u>\$ 925,400</u>	<u>\$ 18,812,200</u>	<u>\$ 79,702</u>		<u>\$ 83,547,188</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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The \$79,702 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 \$925,400 transfer from the general fund to the debt service fund was for principal payments on outstanding debt. The \$18,812,200 transfer from the general fund to the capital improvements fund was to provide funding for the City’s capital improvement plan. The \$37,514,943 transfer from the Local Fiscal Recovery fund to the general fund was for the fiscal year 2022 revenue loss portion of the American Rescue Plan Act funding that was used for general government services. The \$26,214,943 transfer from the general fund to the Local Fiscal Recovery fund was used to fund the local portion of the Dayton Recovery Plan.

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

- D.** Advances to/from other funds for the year ended December 31, 2022, 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>4,775,000</u>
Total		<u>\$ 6,051,000</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 \$4,775,000 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 \$1,576,820 in manuscript bonds outstanding related to the recreational facilities project. The loan was made between sub-funds within the capital projects fund. Intrafund loans are not presented on the basic financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. For Montgomery County, the first half payment is due the middle of February and the second half payment is due the middle of July.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien at December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6 - PROPERTY TAXES – (Continued)

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, 2022 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 2022 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, 2022 was \$10.00 per \$1,000 of assessed value. The assessed values of real and public utility property for tax year 2022 are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 1,021,030,410
Commercial/industrial	485,296,800
<u>Public utility</u>	
Real	1,950,990
Personal	145,854,540
Total assessed value	<u><u>\$ 1,654,132,740</u></u>

NOTE 7 - INCOME TAX

On March 27, 1984, the City Commission levied a municipal income tax of 1.75% on substantially all income earned within the City. On May 6, 2014, at the regular primary election, the voters of the City approved a Charter Amendment authorizing the City Commission to levy an income tax at the annual rate of 2.25% for a continuing period commencing January 1, 2015. Ordinance 31288-14, being approved by the electorate, became effective January 1, 2015. On November 8, 2016, at the regular general election, the voters of the City approved a Charter Amendment authorizing the City Commission to levy an income tax at the annual rate of 2.5% for a period of eight (8) years commencing January 1, 2018 (2.25% is permanent and .25% is for a period of 8 years). Ordinance 31501-16, being approved by the electorate, became effective January 1, 2018. The City income tax also applies to the net income of businesses located or doing business within the City. The residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City of Dayton at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City of Dayton administers the collection of income taxes and the assessment of interest and penalties. Income tax proceeds are to be used to pay the cost of administering the tax and are recorded in the general fund. Income tax revenue for 2022, as reported in the governmental fund financial statements on the modified accrual basis of accounting, was \$151,089,530.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 - TAX INCREMENT FINANCING DISTRICT (TIF) – (Continued)

PILOT revenue was \$1,645,403 in 2022 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, 2022, 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 12 parcels that have taxes abated through Ezone agreements and 334 parcels that have taxes abated through CRAs. During 2022, the City’s property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>City Taxes Abated</u>
CRA	\$ 772,722
Ezone	<u>37,388</u>
Total	<u>\$ 810,110</u>

NOTE 10 - RECEIVABLES

Receivables at December 31, 2022, 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, 2022, as well as intended to finance 2022 operations.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 – RECEIVABLES – (Continued)

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

Governmental activities:

Property and other local taxes	\$	21,995,370
Municipal income taxes		24,582,014
Accounts		6,257,754
Payments in lieu of taxes		1,353,990
Special assessments		558,046
Accrued interest		735,948
Due from other governments		22,020,245
Loans		24,289,283
Leases		2,415,005

Business-type activities:

Accounts		15,617,585
Special assessments		1,305,614
Accrued interest		410,616
Due from other governments		3,831,832
Loans		348,121
Leases		1,794,325

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, leases and the loans. The special assessments are collected over the term of the assessment, the leases are collected over the term of the lease agreements and the loans receivable will be collected annually through 2040 (See Note 11).

NOTE 11 - LOANS RECEIVABLE

A. Dayton-Montgomery County Port Authority

During 2008, the City issued \$32,000,000 in economic development revenue bonds payable from nontax revenues of the City. The City loaned \$20,100,000 of the proceeds to the Dayton-Montgomery County Port Authority (the “Port Authority”) to assist in financing the costs of constructing a parking facility to be used by CareSource, a nonprofit corporation. The Port Authority will make loan payments semi-annually on July 1 and December 1 at a 4.67% interest rate. The final loan payment is due December 1, 2028. The Port Authority is currently in default of this loan and unpaid interest adds to the principal outstanding on the loan. At December 31, 2022, the amount owed to the City was \$24,056,129. 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 \$8,305,000 for this loan and considers \$15,751,129 uncollectible. However, the Port Authority remains liable for the entire balance of the loan, including the portion in default.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 11 - LOANS RECEIVABLE – (Continued)

B City-Wide Development Corporation (CWDC)

The City has various loans outstanding with City-Wide Development Corporation. CWDC is a private, non-profit development organization. The City received \$261,846 in loan payments during 2022, and made \$82,208 in loans during 2022.

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	348,121
Hawthorne School	681,584
Phoenix Redevelopment	2,272,699
Tech Town	1,480,000
Tech Town 2	550,000
Total	<u>\$ 16,332,404</u>

NOTE 12 - CAPITAL ASSETS

- A. Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District City has reported capital assets for the right to use leased buildings which are reflected in the schedule below. Capital asset activity for the governmental activities for the year ended December 31, 2022 were as follows in the chart below.

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - CAPITAL ASSETS - (Continued)

	<u>Restated Balance 12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/22</u>
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 54,622,909	\$ 426,527	\$ -	\$ 55,049,436
Construction in progress	7,228,863	25,900,811	(24,757,865)	8,371,809
Right-of-ways	<u>14,007,402</u>	<u>-</u>	<u>-</u>	<u>14,007,402</u>
Total capital assets, not being depreciated/amortized	<u>75,859,174</u>	<u>26,327,338</u>	<u>(24,757,865)</u>	<u>77,428,647</u>
<i>Capital assets, being depreciated:</i>				
Building improvements	158,741,081	2,549,759	-	161,290,840
Improvements other than buildings	71,891,979	1,619,635	-	73,511,614
Equipment	21,262,547	1,244,507	-	22,507,054
Software	1,271,884	86,790	-	1,358,674
Vehicles	53,206,313	5,120,664	(1,119,165)	57,207,812
Infrastructure	413,361,758	14,520,906	-	427,882,664
Right-to-use - buildings	<u>5,601,575</u>	<u>-</u>	<u>-</u>	<u>5,601,575</u>
Total capital assets, being depreciated/amortized	<u>725,337,137</u>	<u>25,142,261</u>	<u>(1,119,165)</u>	<u>749,360,233</u>
<i>Less: accumulated depreciation/amortization</i>				
Building improvements	(85,385,286)	(3,227,555)	-	(88,612,841)
Improvements other than buildings	(45,096,426)	(1,470,978)	-	(46,567,404)
Equipment	(18,180,124)	(670,111)	-	(18,850,235)
Software	(1,106,103)	(115,720)	-	(1,221,823)
Vehicles	(34,786,923)	(3,065,952)	1,104,491	(36,748,384)
Infrastructure	(140,781,250)	(5,797,544)	-	(146,578,794)
Right-to-use - buildings	<u>-</u>	<u>(301,008)</u>	<u>-</u>	<u>(301,008)</u>
Total accumulated depreciation/amortized	<u>(325,336,112)</u>	<u>(14,648,868)</u>	<u>1,104,491</u>	<u>(338,880,489)</u>
Total capital assets being depreciated/amortized, net	<u>400,001,025</u>	<u>10,493,393</u>	<u>(14,674)</u>	<u>410,479,744</u>
Governmental activities capital assets, net	<u>\$ 475,860,199</u>	<u>\$ 36,820,731</u>	<u>\$ (24,772,539)</u>	<u>\$ 487,908,391</u>

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

Downtown	\$ 98,610
Youth, education and human services	1,750
Community development and neighborhoods	806,538
Economic development	639,802
Leadership and quality of life	10,250,428
Corporate responsibility	488,498
Public safety and justice	<u>2,363,242</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 14,648,868</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the business-type activities for the year ended December 31, 2022, were as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>12/31/21</u>	<u>Additions</u>	<u>12/31/22</u>
		<u>Deductions</u>	
Business-type activities:			
<i>Capital assets, not being depreciated:</i>			
Land	\$ 39,162,051	\$ -	\$ 37,682,406
Construction in progress	<u>30,129,010</u>	<u>41,629,259</u>	<u>(27,989,430)</u>
Total capital assets, not being depreciated	<u>69,291,061</u>	<u>41,629,259</u>	<u>(29,469,075)</u>
<i>Capital assets, being depreciated:</i>			
Buildings and improvements	285,892,407	9,058,929	-
Improvements other than buildings	892,466,125	11,566,979	-
Equipment	26,134,015	5,813,358	-
Software	1,572,352	723,060	-
Vehicles	<u>46,749,301</u>	<u>1,151,652</u>	<u>(268,210)</u>
Total capital assets, being depreciated	<u>1,252,814,200</u>	<u>28,313,978</u>	<u>(268,210)</u>
<i>Less: accumulated depreciation</i>			
Buildings and improvements	(130,412,923)	(6,678,505)	-
Improvements other than buildings	(535,077,556)	(21,257,213)	-
Equipment	(18,678,903)	(1,353,635)	-
Software	(1,433,195)	(65,106)	-
Vehicles	<u>(26,799,435)</u>	<u>(3,026,254)</u>	<u>226,211</u>
Total accumulated depreciation	<u>(712,402,012)</u>	<u>(32,380,713)</u>	<u>226,211</u>
Total capital assets being depreciated, net	<u>540,412,188</u>	<u>(4,066,735)</u>	<u>(41,999)</u>
Business-type activities capital assets, net	<u>\$ 609,703,249</u>	<u>\$ 37,562,524</u>	<u>\$ (29,511,074)</u>

Depreciation expense was charged to the enterprise funds as follows:

Business-type Activities:	
Dayton International Airport	\$ 16,230,489
Water	8,087,002
Sewer	7,263,027
Non-major enterprise - Storm water	<u>800,195</u>
Total depreciation expense - business-type activities	<u>\$ 32,380,713</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - CAPITAL ASSETS - (Continued)

- C. Outstanding contractual commitments related to construction in progress for the year ended December 31, 2022, was as follows:

Governmental activities	\$ 3,379,261
Water	5,331,625
Sewer	14,199,460
Dayton International Airport	12,624,268
Nonmajor enterprise funds	<u>339,564</u>
Total outstanding contractual commitments	<u>\$ 35,874,178</u>

NOTE 13 – LEASES RECEIVABLE

The City is the lessor of various parcels of lands and buildings for multiple purposes within the business-type and governmental activities, including economic development, aviation, 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 City is reporting leases receivable of \$2,415,005 in the governmental funds and \$14,525,918 in the business-type activities. For 2022, the City’s governmental funds recognized lease revenue of \$283,750, which is reported in other revenue and interest revenue of \$2,811. For 2022, the City’s business type activities recognized lease revenue of \$1,617,971, which is reported in other income and interest revenue of \$15,557.

NOTE 14 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported obligations for leases payable which are reflected in the schedule below. The changes in the City’s governmental activities long-term obligations during the year consist of the following:

	Issue	Maturity	Interest	Original	Restated			Balance	Amounts
	Date	Date	Rate (%)	Issue	Balance	Increase	Decrease	12/31/22	Due in
<i>Governmental activities:</i>				Amount	12/31/21				One Year
General obligation bonds:									
Various Purpose GO Bonds	12/15/16	12/01/36	2.0 - 5.0	\$ 12,210,000	\$ 7,530,000	\$ -	\$ (805,000)	\$ 6,725,000	\$ 840,000
Energy conservation bonds	06/11/11	12/01/25	4.98	1,615,000	495,000	-	(120,000)	375,000	125,000
Various purpose bonds	09/09/14	12/01/34	1.25 - 4.0	5,700,000	3,370,000	-	(370,000)	3,000,000	380,000
Various purpose bonds	11/13/18	12/01/38	2.5-4.0	10,705,000	8,275,000	-	(860,000)	7,415,000	895,000
Various purpose bonds	11/12/20	12/1/2032	1.0-4.0	25,625,000	23,735,000	-	(1,870,000)	21,865,000	1,835,000
Various purpose bonds	12/01/22	12/01/42	5.0-5.5	15,705,000	-	15,705,000	-	15,705,000	740,000
Total general obligation bonds					<u>43,405,000</u>	<u>15,705,000</u>	<u>(4,025,000)</u>	<u>55,085,000</u>	<u>4,815,000</u>
Revenue bonds:									
Economic development	09/22/10	12/1/31	2.0 - 4.125	2,500,000	1,410,000	-	(120,000)	1,290,000	125,000
2020 Economic development refunding	11/12/20	12/1/28	.04 - 1.8	14,225,000	12,500,000	-	(1,745,000)	10,755,000	1,745,000
Economic development	11/13/18	12/01/38	3.75 - 5.0	3,700,000	3,320,000	-	(140,000)	3,180,000	145,000
2022 Economic development bonds	12/01/22	12/01/42	4.75-5.25	6,005,000	-	6,005,000	-	6,005,000	180,000
Total revenue bonds					<u>17,230,000</u>	<u>6,005,000</u>	<u>(2,005,000)</u>	<u>21,230,000</u>	<u>2,195,000</u>

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

	Issue	Maturity	Issue	Balance			Balance	Due in
<i>Governmental activities:</i>	<u>Date</u>	<u>Date</u>	<u>Amount</u>	<u>12/31/21</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/22</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	\$ 215,924	\$ -	\$ (21,592)	\$ 194,332	\$ 21,592
Ohio Public Works								
Commission loan	7/1/2016	7/1/2031	133,189	93,232	-	(8,879)	84,353	8,879
Ohio Public Works								
Commission loan	7/1/2016	7/1/2031	642,814	449,969	-	(42,854)	407,115	42,854
Ohio Public Works								
Commission loan	7/1/2019	7/1/2035	366,855	330,170	-	(24,457)	305,713	24,457
Ohio Public Works								
Commission loan	7/1/2019	7/1/2035	372,300	335,070	-	(24,820)	310,250	24,820
Ohio Public Works								
Commission loan	1/1/2021	1/1/1936	251,438	<u>243,057</u>	-	(16,763)	<u>226,294</u>	<u>16,763</u>
Total Ohio Public Works Commission loans				<u>1,667,422</u>	-	(139,365)	<u>1,528,057</u>	<u>139,365</u>
Other long-term obligations:								
<u>Direct Borrowings:</u>								
Ohio Department of								
Development loan	04/01/10	04/21/25	2,860,000	1,198,618	-	(304,055)	894,563	313,305
State Infrastructure								
Bank loan	12/4/2014	11/15/2036	2,500,000	2,061,640	-	(110,664)	1,950,976	114,009
State Infrastructure								
Bank bonds	12/4/14	11/15/2036	3,540,000	2,715,000	-	(150,000)	2,565,000	150,000
Net pension liability				189,255,854	-	(32,312,304)	156,943,550	-
Leases payable				5,601,575	-	(280,113)	5,321,462	96,229
Net OPEB liability				22,450,716	633,517	-	23,084,233	-
Judgments				523,707	328,296	(774,597)	77,406	77,406
Claims				6,166,129	23,449,149	(22,865,585)	6,749,693	3,718,389
Compensated absences				<u>13,948,711</u>	<u>10,158,973</u>	<u>(11,008,469)</u>	<u>13,099,215</u>	<u>8,875,611</u>
Total other long-term obligations				<u>243,921,950</u>	<u>34,569,935</u>	<u>(67,805,787)</u>	<u>210,686,098</u>	<u>13,344,949</u>
Total governmental activities				<u>\$ 306,224,372</u>	<u>\$ 56,279,935</u>	<u>\$ (73,975,152)</u>	<u>288,529,155</u>	<u>\$ 20,494,314</u>
Add: unamortized bond premiums and discounts							<u>4,435,755</u>	
Total on statement of net position							<u>\$ 292,964,910</u>	

General obligation bonds were used for street improvements, capital improvements, equipment 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.

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, 2022 is \$14,775,000.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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 2022 revenue bonds are payable solely from nontax revenues in the general fund and are payable through 2042. The proceeds were used to finance capital improvements to the Dayton Air Ballpark Stadium. 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 1.08 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2022 revenue bonds is \$9,524,525. There were no principal or interest payments in 2022. General fund nontax revenues for the current year were \$43,889,351.

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 4.30 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 \$11,302,308. Principal and interest paid for the current year on the revenue bonds were \$1,745,000 and \$142,448. General fund nontax revenues for the current year were \$43,889,351.

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 .40 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2010 revenue bonds is \$1,565,761. Principal and interest paid for the current year was \$120,000 and \$56,016. General fund nontax revenues for the current year were \$43,889,351.

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 .77 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2018 revenue bonds is \$4,419,538. Principal and interest paid for the current year was \$140,000 and \$196,450. General fund nontax revenues for the current year were \$43,889,351.

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, 2022, is \$1,260,000.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022, is \$715,000.

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 six 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. The sixth loan was issued at 0% interest rate with a maturity date of July 1, 2036. 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.

The City has entered into a lease agreement for the use of right to use buildings. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. Principal and interest payments for the lease obligation are made from the general fund.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

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

In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2022, the City’s total debt margin was \$113,313,022 and the unvoted debt margin was \$30,606,685.

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2022 for the governmental activities:

Year Ending December 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 4,815,000	\$ 2,186,479	\$ 7,001,479	\$ 2,195,000	\$ 610,934	\$ 2,805,934
2024	4,595,000	2,059,163	6,654,163	2,230,000	580,497	2,810,497
2025	4,535,000	1,917,088	6,452,088	2,270,000	544,327	2,814,327
2026	4,205,000	1,725,413	5,930,413	2,305,000	503,523	2,808,523
2027	3,895,000	1,549,663	5,444,663	2,355,000	455,093	2,810,093
2028 - 2032	15,520,000	5,520,587	21,040,587	4,715,000	1,623,319	6,338,319
2033 - 2037	11,265,000	2,723,386	13,988,386	2,815,000	951,338	3,766,338
2038 - 2042	6,255,000	684,524	6,939,524	2,345,000	313,101	2,658,101
Totals	<u>\$ 55,085,000</u>	<u>\$ 18,366,303</u>	<u>\$ 73,451,303</u>	<u>\$ 21,230,000</u>	<u>\$ 5,582,132</u>	<u>\$ 26,812,132</u>

Year Ending December 31,	Ohio Public Works Commission Loans			Ohio Department of Development Loan		
	Principal	Interest	Total	Principal	Interest	Total
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	122,602	-	122,602	-	-	-
2028 - 2032	649,369	-	649,369	-	-	-
2033 - 2036	198,625	-	198,625	-	-	-
Totals	<u>\$ 1,528,057</u>	<u>\$ -</u>	<u>\$ 1,528,057</u>	<u>\$ 894,563</u>	<u>\$ 29,640</u>	<u>\$ 924,203</u>

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	State Infrastructure Bank Bonds			State Infrastructure Bank Loan		
	Principal	Interest	Total	Principal	Interest	Total
	2023	\$ 150,000	\$ 86,807	\$ 236,807	\$ 114,009	\$ 57,681
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	170,000	62,337	232,337	128,430	43,260	171,690
2028 - 2032	910,000	250,743	1,160,743	702,783	155,667	858,450
2033 - 2036	<u>855,000</u>	<u>73,593</u>	<u>928,593</u>	<u>642,630</u>	<u>44,130</u>	<u>686,760</u>
Totals	<u>\$ 2,565,000</u>	<u>\$ 705,776</u>	<u>\$ 3,270,776</u>	<u>\$ 1,950,976</u>	<u>\$ 452,684</u>	<u>\$ 2,403,660</u>

Year Ending December 31,	Leases		
	Principal	Interest	Total
2023	\$ 96,229	\$ 91,771	\$ 188,000
2024	39,871	91,129	131,000
2025	40,502	90,498	131,000
2026	35,143	89,857	125,000
2027	35,763	89,237	125,000
2028 - 2032	188,494	436,506	625,000
2033 - 2037	205,702	419,298	625,000
2038 - 2042	224,480	400,520	625,000
2043 - 2047	244,972	380,028	625,000
2048 - 2052	267,335	357,665	625,000
2053 - 2057	291,740	333,260	625,000
2058 - 2062	318,372	306,628	625,000
2063 - 2067	347,436	277,564	625,000
2068 - 2072	379,153	245,847	625,000
2073 - 2077	413,765	211,235	625,000
2078 - 2082	451,537	173,463	625,000
2083 - 2087	492,757	132,243	625,000
2088 - 2092	537,739	87,261	625,000
2093 - 2097	586,829	38,171	625,000
2098	<u>123,643</u>	<u>1,357</u>	<u>125,000</u>
Totals	<u>\$ 5,321,462</u>	<u>\$ 4,253,538</u>	<u>\$ 9,575,000</u>

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 Issue Amount	Balance 12/31/21	Increase	Decrease	Balance 12/31/22	Amounts 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	\$ 5,825,000	\$ -	\$ (635,000)	\$ 5,190,000	\$ 655,000
Wellfield	12/15/2016	12/1/2036	2.0 to 5.0	5,900,000	4,520,000	-	(225,000)	4,295,000	235,000
2020 Bonds - Storm	11/12/2020	12/1/2040	1.0 to 4.0	3,000,000	2,855,000	-	(155,000)	2,700,000	160,000
2020 Bonds - Water	11/12/2020	12/1/2040	1.0 to 4.0	7,245,000	6,540,000	-	(515,000)	6,025,000	530,000
2020 Bonds - Sewer	11/12/2020	12/1/2040	1.0 to 4.0	7,390,000	<u>6,675,000</u>	-	(530,000)	<u>6,145,000</u>	<u>545,000</u>
Total general obligation bonds					<u>26,415,000</u>	-	(2,060,000)	<u>24,355,000</u>	<u>2,125,000</u>
Revenue bonds:									
Water	12/3/2015	12/1/2035	1.0 to 4.0	15,090,000	11,505,000	-	(655,000)	10,850,000	670,000
Sewer	12/3/2015	12/1/2035	1.0 to 4.0	15,770,000	12,030,000	-	(685,000)	11,345,000	700,000
Dayton International Airport	12/30/2015	12/1/2035	3.0 to 5.0	21,545,000	16,625,000	-	(935,000)	15,690,000	955,000
Dayton International Airport	9/9/2014	12/01/2032	2.30 to 5.00	26,950,000	18,575,000	-	(1,345,000)	17,230,000	1,405,000
Dayton International Airport	12/15/2016	12/1/2041	3.0 to 5.0	33,050,000	29,175,000	-	(940,000)	28,235,000	965,000
Water	11/13/18	12/01/38	3.0 to 5.0	16,430,000	14,725,000	-	(625,000)	14,100,000	650,000
Water	1/1/22	1/1/42	5.0 to 5.5	23,080,000	-	23,080,000	-	23,080,000	690,000
Sewer	10/30/20	12/1/40	3.0 to 4.0	16,380,000	<u>15,850,000</u>	-	(585,000)	<u>15,265,000</u>	<u>605,000</u>
Total revenue bonds					<u>118,485,000</u>	<u>23,080,000</u>	<u>(5,770,000)</u>	<u>135,795,000</u>	<u>6,640,000</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	8,639,401	7,618,446	(1,044,725)	15,213,122	320,102
JOBS Ohio loan	09/01/2016	04/01/2037	2.0 to 3.0	5,000,000	4,243,244	-	(217,445)	4,025,799	222,389
Compensated absences payable					3,782,078	2,094,756	(2,246,210)	3,630,624	2,405,747
Net pension liability					35,017,048	-	(14,720,030)	20,297,018	-
Net OPEB liability					<u>340,753</u>	<u>43,430</u>	<u>-</u>	<u>384,183</u>	<u>-</u>
Total other long-term obligations					<u>52,022,524</u>	<u>9,756,632</u>	<u>(18,228,410)</u>	<u>43,550,746</u>	<u>2,948,238</u>
Total business-type activities					<u>\$ 196,922,524</u>	<u>\$ 32,836,632</u>	<u>\$ (26,058,410)</u>	<u>203,700,746</u>	<u>\$ 11,713,238</u>
Add: unamortized bond premiums and discounts								<u>9,591,279</u>	
Total on statement of net position								<u>\$ 213,292,025</u>	

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

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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.

On December 1, 2022, the City issued \$23,080,000 in water revenue bonds. The interest rates on the current interest bonds range from 5.0% to 5.5%. The City has pledged future water revenues, net of specified operating expenses, to repay the Series 2022 water system revenue bonds. The proceeds were used for water capital improvements.

The Series 2015, Series 2018, and Series 2022 revenue bonds are payable solely from revenues in the water fund and are payable through 2042. Annual principal and interest payments on the bonds are expected to require 13.12 percent of net customer revenues. The total principal and interest remaining to be paid on the Series 2015, 2018 and 2022 revenue bonds is \$54,655,957. Principal and interest paid for the current year and total customer net revenues were \$2,306,288 and \$17,583,221, 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 \$29,448,450. Principal and interest paid for the current year and total customer net revenues were \$2,266,612 and \$11,268,324, respectively.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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, 2022 is \$18,545,000.

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 56.78 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 \$70,256,941. Principal and interest paid for the current year and total customer net revenues were \$5,979,637 and \$10,531,315, 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, 2022, the City had outstanding borrowings of \$15,213,122 and \$7,618,446 was disbursed during 2022. 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 9.57 percent of net revenues. Principal and interest paid for the current year were \$1,077,910 and customer net revenues were \$11,268,324.

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.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2022 for the business-type activities.

Year Ending December 31,	Revenue Bonds			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 6,640,000	\$ 5,801,894	\$ 12,441,894	\$ 2,125,000	\$ 875,405	\$ 3,000,405
2024	6,890,000	5,558,049	12,448,049	2,165,000	834,500	2,999,500
2025	7,150,000	5,293,068	12,443,068	2,220,000	782,650	3,002,650
2026	7,455,000	4,982,419	12,437,419	2,255,000	691,300	2,946,300
2027	7,795,000	4,650,780	12,445,780	2,350,000	601,100	2,951,100
2028 - 2032	44,285,000	17,951,011	62,236,011	10,445,000	1,660,719	12,105,719
2033 - 2037	35,025,000	8,942,911	43,967,911	2,265,000	290,343	2,555,343
2038 - 2041	20,555,000	2,586,651	23,141,651	530,000	32,250	562,250
Totals	<u>\$ 135,795,000</u>	<u>\$ 55,766,783</u>	<u>\$ 191,561,783</u>	<u>\$ 24,355,000</u>	<u>\$ 5,768,267</u>	<u>\$ 30,123,267</u>

Year Ending December 31,	JOBS Ohio			OWDA (Closed Loans)		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 222,389	\$ 78,486	\$ 300,875	\$ 320,102	\$ 7,226	\$ 327,328
2024	227,444	73,992	301,436	-	-	-
2025	232,615	69,396	302,011	-	-	-
2026	237,903	64,695	302,598	-	-	-
2027	243,311	59,888	303,199	-	-	-
2028 - 2032	1,267,944	328,631	1,596,575	-	-	-
2033 - 2037	1,486,268	132,529	1,618,797	-	-	-
2038	107,925	675	108,600	-	-	-
Totals	<u>\$ 4,025,799</u>	<u>\$ 808,292</u>	<u>\$ 4,834,091</u>	<u>\$ 320,102</u>	<u>\$ 7,226</u>	<u>\$ 327,328</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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - RISK MANAGEMENT – (Continued)

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2022, 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	1,053,984,885
General Liability (North West Railway)	10,000,000
Vehicle Liability	2,000,000
Paramedicine Program	982,282,644
Errors and Omissions (Ambulance Attendants)	3,000,000
Errors and Omissions (Municipal Court)	500,000
Garage keepers – Test Drive	1,000,000
General Liability (Community Service Program for Dayton Municipal Court - Additional various coverages)	100,000
Executive Management Liability Policy	1,000,000
Employment Practices Liability	2,000,000
Commercial Crime /Scheduled Positions	2,500,000
Crime 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.

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, 2022, there were \$14,981 in outstanding claims and judgments pending that are reported as a component of claimants payable in the general fund. Claims activity for 2022 and 2021 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>
2022	\$ 521,300	\$ 131,027	\$ (637,346)	\$ 14,981
2021	11,364	604,930	(94,994)	521,300

B. Workers' Compensation

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

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - RISK MANAGEMENT - (Continued)

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a "minimum premium" for retaining the risk of having to pay claims which exceeds the City's maximum claim limits. 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 \$3,968,743 reported at December 31, 2022, 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 \$3,968,743 claims liability, \$937,439 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 \$3,031,304. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the funds' claims liability amount in 2022 and 2021 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>
2022	\$ 3,218,329	\$ 2,865,919	\$ (2,115,505)	\$ 3,968,743
2021	3,334,023	2,496,326	(2,612,020)	3,218,329

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 \$2,780,950 for the claims payable liability.

Changes in the claims payable liability in 2022 and 2021 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>
2022	\$ 2,947,800	\$ 19,999,666	\$ (20,166,516)	\$ 2,780,950
2021	3,366,600	23,759,689	(24,178,489)	2,947,800

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - OTHER EMPLOYEE BENEFITS - (Continued)

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.

B. Insurance Benefits

The City is self-insured for medical benefits through Anthem Blue Cross/Blue Shield Health. 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

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/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 basis 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):

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 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%.

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 \$11,015,260 for 2022. Of this amount, \$875,243 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 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% 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.

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
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 \$11,728,526 for 2022. Of this amount, \$906,656 is reported as due to other governments.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.524244%	0.494270%	0.463394%	2.151120%	
Proportion of the net pension liability/asset current measurement date	<u>0.499705%</u>	<u>0.490612%</u>	<u>0.432241%</u>	<u>2.141111%</u>	
Change in proportionate share	<u>-0.024539%</u>	<u>-0.003658%</u>	<u>-0.031153%</u>	<u>-0.010009%</u>	
Proportionate share of the net pension liability	\$ 43,476,356	\$ -	\$ -	\$ 133,764,212	\$ 177,240,568
Proportionate share of the net pension asset	-	(1,933,037)	(78,478)	-	(2,011,515)
Pension expense	(12,132,627)	(69,750)	(12,595)	8,139,752	(4,075,220)

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2022, 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	\$ 2,216,361	\$ 11,992	\$ 77,587	\$ 3,856,968	\$ 6,162,908
Changes of assumptions	5,436,674	97,142	2,633	24,446,355	29,982,804
Changes in employer's proportionate percentage/difference between employer contributions	192,918	-	-	1,755,641	1,948,559
Contributions subsequent to the measurement date	10,427,011	301,134	287,115	11,728,526	22,743,786
Total deferred outflows of resources	<u>\$ 18,272,964</u>	<u>\$ 410,268</u>	<u>\$ 367,335</u>	<u>\$ 41,787,490</u>	<u>\$ 60,838,057</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 953,545	\$ 216,201	\$ -	\$ 6,953,901	\$ 8,123,647
Net difference between projected and actual earnings on pension plan investments	51,713,547	414,415	17,877	35,070,913	87,216,752
Changes in employer's proportionate percentage/difference between employer contributions	4,435,564	-	-	3,662,261	8,097,825
Total deferred inflows of resources	<u>\$ 57,102,656</u>	<u>\$ 630,616</u>	<u>\$ 17,877</u>	<u>\$ 45,687,075</u>	<u>\$ 103,438,224</u>

\$22,743,786 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/increase to the net pension liability/asset in the year ending December 31, 2023.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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
2023	\$ (10,209,794)	\$ (127,028)	\$ 7,798	\$ (605,397)	\$ (10,934,421)
2024	(18,660,537)	(175,602)	5,811	(9,892,312)	(28,722,640)
2025	(12,159,946)	(115,182)	6,979	(4,429,561)	(16,697,710)
2026	(8,226,424)	(85,145)	7,279	(3,241,845)	(11,546,135)
2027	(2)	(11,281)	9,627	2,541,003	2,539,347
Thereafter	-	(7,244)	24,849	1	17,606
Total	\$ (49,256,703)	\$ (521,482)	\$ 62,343	\$ (15,628,111)	\$ (65,343,953)

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, 2021, 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, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	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	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, 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 of 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 a gain of 15.3% for 2021.

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, 2021, 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	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, 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, 2021 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 6.90%, 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 (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 114,627,330	\$ 43,476,356	\$ (15,730,713)
Combined Plan	(1,442,399)	(1,933,037)	(2,315,689)
Member-Directed Plan	(69,159)	(78,478)	(86,448)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

<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%

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, 2021 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 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 7.50%. A discount rate of 8.00% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 198,370,464	\$ 133,764,212	\$ 79,963,160

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 discontinued 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.

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 became 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 2022, 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 2022, 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 2022 was 4.00%.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$114,847 for 2022. Of this amount, \$9,125 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.

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 2022, 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

The City’s contractually required contribution to OP&F was \$279,744 for 2022. Of this amount, \$21,625 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, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City’s proportion of the net OPEB liability/asset was based on the City’s share of contributions to the retirement plan relative to the contributions of all participating entities.

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/asset prior measurement date	0.521025%	2.151120%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.496781%</u>	<u>2.141111%</u>	
Change in proportionate share	<u>-0.024244%</u>	<u>-0.010009%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 23,468,416	\$ 23,468,416
Proportionate share of the net OPEB asset	(15,559,940)	-	(15,559,940)
OPEB expense	(15,250,634)	1,890,380	(13,360,254)

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2022, 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	\$ -	\$ 1,067,604	\$ 1,067,604
Changes of assumptions	-	10,387,840	10,387,840
Changes in employer's proportionate percentage/ difference between employer contributions	47,679	574,996	622,675
Contributions subsequent to the measurement date	114,846	279,744	394,590
Total deferred outflows of resources	<u>\$ 162,525</u>	<u>\$ 12,310,184</u>	<u>\$ 12,472,709</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 2,360,206	\$ 3,101,679	\$ 5,461,885
Net difference between projected and actual earnings on OPEB plan investments	7,417,887	2,119,978	9,537,865
Changes of assumptions	6,298,488	2,725,722	9,024,210
Changes in employer's proportionate percentage/ difference between employer contributions	1,312,798	610,673	1,923,471
Total deferred inflows of resources	<u>\$ 17,389,379</u>	<u>\$ 8,558,052</u>	<u>\$ 25,947,431</u>

\$394,590 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/increase to the net OPEB liability/asset in the year ending December 31, 2023.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2023	\$ (11,063,424)	\$ 958,175	\$ (10,105,249)
2024	(3,592,183)	643,444	(2,948,739)
2025	(1,620,769)	752,089	(868,680)
2026	(1,065,324)	182,638	(882,686)
2027	-	476,205	476,205
Thereafter	-	459,836	459,836
Total	<u>\$ (17,341,700)</u>	<u>\$ 3,472,387</u>	<u>\$ (13,869,313)</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, 2020, rolled forward to the measurement date of December 31, 2021.

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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 2021, 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.3% for 2021.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2021, 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 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00 %</u>	<u>3.45 %</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, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. 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 1.84%. 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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 asset 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:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 9,150,706	\$ 15,559,940	\$ 20,879,705

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. 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 the health care 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	\$ 15,728,086	\$ 15,559,940	\$ 15,360,469

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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, 2022

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, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
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 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%

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, 2022

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

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 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

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 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 29,500,320	\$ 23,468,416	\$ 18,510,177

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022, 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	\$ 14,723,797	\$ 36,027,417
Net adjustment for revenues	(9,475,297)	(33,879,906)
Net adjustment for expenditures	(6,033,609)	219,847
Adjustment for encumbrances	<u>13,210,078</u>	<u>16,192,355</u>
GAAP basis	<u>\$ 12,424,969</u>	<u>\$ 18,559,713</u>

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CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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	\$ 1,256,219	\$ -	\$ -	\$ 98,234	\$ 196,662	\$ 1,551,115
Materials and supplies inventory	11,213	-	-	-	622,219	633,432
Advances to other funds	776,000	-	-	-	-	776,000
Perpetual care	-	-	-	-	102,228	102,228
Loans receivable	13,030,000	-	-	-	-	13,030,000
Unclaimed monies	789,212	-	-	-	-	789,212
Total nonspendable	<u>15,862,644</u>	<u>-</u>	<u>-</u>	<u>98,234</u>	<u>921,109</u>	<u>16,881,987</u>
Restricted:						
Street and highway programs	-	-	-	-	4,609,988	4,609,988
Special projects	-	-	-	-	17,557,994	17,557,994
Debt service	-	-	27,531,340	-	-	27,531,340
Capital projects	-	-	-	20,233,743	-	20,233,743
Fire escrow	1,595,150	-	-	-	-	1,595,150
Other purposes	-	-	-	-	1,081,503	1,081,503
Permanent fund	-	-	-	-	82,390	82,390
Total restricted	<u>1,595,150</u>	<u>-</u>	<u>27,531,340</u>	<u>20,233,743</u>	<u>23,331,875</u>	<u>72,692,108</u>
Committed:						
Capital projects	-	-	-	31,514,731	-	31,514,731
Dayton Recovery Plan	-	43,582,156	-	-	-	43,582,156
Community development	164,728	-	-	-	-	164,728
Economic development	108,916	-	-	-	-	108,916
Leadership and quality of life	1,323,181	-	-	-	-	1,323,181
Corporate responsibility	1,035,529	-	-	-	-	1,035,529
Other purposes	78,774	-	-	-	-	78,774
Public safety	973,991	-	-	-	-	973,991
Special assessments	-	-	496,016	-	-	496,016
Total committed	<u>3,685,119</u>	<u>43,582,156</u>	<u>496,016</u>	<u>31,514,731</u>	<u>-</u>	<u>79,278,022</u>
Assigned:						
Leadership and quality of life	106,395	-	-	-	-	106,395
Corporate responsibility	-	-	-	-	-	-
Public safety	57,505	-	-	-	-	57,505
Special payroll	2,805,770	-	-	-	-	2,805,770
Termination pay	1,873,756	-	-	-	-	1,873,756
Unemployment	1,063,526	-	-	-	-	1,063,526
Other purposes	1,563,482	-	-	-	-	1,563,482
Police professional development	17,149	-	-	-	-	17,149
Sunrise Bomberger Center	249,993	-	-	-	-	249,993
Community policing council (CIRGV)	58,572	-	-	-	-	58,572
Mediation center	281,550	-	-	-	-	281,550
Professional development	221,589	-	-	-	-	221,589
Nationwide settlement	141,789	-	-	-	-	141,789
Executive savings	444,391	-	-	-	-	444,391
Judgments	1,764,820	-	-	-	-	1,764,820
Development	13,755,268	-	-	-	-	13,755,268
Real estate development	313,291	-	-	-	-	313,291
Subsequent year appropriations	4,930,900	-	-	-	-	4,930,900
Preschool promise	2,632,931	-	-	-	-	2,632,931
Public safety photo enforcement	2,715,904	-	-	-	-	2,715,904
Community golf and recreation	978,458	-	-	-	-	978,458
Urban renewal	53,520	-	-	-	-	53,520
Capital projects	-	-	-	20,581,422	-	20,581,422
Total assigned	<u>36,030,559</u>	<u>-</u>	<u>-</u>	<u>20,581,422</u>	<u>-</u>	<u>56,611,981</u>
Unassigned	<u>41,441,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(654,438)</u>	<u>40,787,442</u>
Total fund balances	<u>\$ 98,615,352</u>	<u>\$ 43,582,156</u>	<u>\$ 28,027,356</u>	<u>\$ 72,428,130</u>	<u>\$ 23,598,546</u>	<u>\$ 266,251,540</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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	\$ 9,916,959
Local fiscal recovery fund	524,737
Capital improvement	17,962,695
Nonmajor governmental	<u>33,833,373</u>
Total	<u>\$ 62,237,764</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, 2022 to December 31, 2022, 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.

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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 NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.499705%	0.524244%	0.550177%	0.563207%
City's proportionate share of the net pension liability	\$ 43,476,356	\$ 77,629,122	\$ 108,746,216	\$ 154,250,979
City's covered payroll	\$ 72,526,236	\$ 73,835,129	\$ 77,640,136	\$ 74,225,779
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.95%	105.14%	140.06%	207.81%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.490612%	0.494270%	0.517985%	0.551450%
City's proportionate share of the net pension asset	\$ 1,933,037	\$ 1,426,777	\$ 1,080,123	\$ 616,644
City's covered payroll	\$ 2,236,679	\$ 2,178,250	\$ 2,263,643	\$ 2,358,507
City's proportionate share of the net pension asset as a percentage of its covered payroll	86.42%	65.50%	47.72%	26.15%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.432241%	0.463394%	0.485467%	0.507999%
City's proportionate share of the net pension asset	\$ 78,478	\$ 84,472	\$ 18,350	\$ 11,575
City's covered payroll	\$ 2,722,630	\$ 2,783,080	\$ 2,885,760	\$ 2,899,690
City's proportionate share of the net pension asset as a percentage of its covered payroll	2.88%	3.04%	0.64%	0.40%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

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

	2018	2017	2016	2015	2014
	0.571533%	0.555800%	0.567394%	0.560246%	0.560246%
\$	89,662,448	\$ 126,212,728	\$ 98,279,795	\$ 67,571,930	\$ 66,045,704
\$	73,469,231	\$ 71,961,283	\$ 72,324,850	\$ 67,411,033	\$ 66,466,608
	122.04%	175.39%	135.89%	100.24%	99.37%
	84.66%	77.25%	81.08%	86.45%	86.36%
	0.569155%	0.533340%	0.506860%	0.475603%	0.475603%
\$	774,804	\$ 296,841	\$ 246,649	\$ 183,119	\$ 49,906
\$	2,330,962	\$ 2,073,725	\$ 1,645,667	\$ 1,738,508	\$ 1,438,292
	33.24%	14.31%	14.99%	10.53%	3.47%
	137.28%	116.55%	116.90%	114.83%	104.56%
	0.507183%	0.481132%	0.424314%	n/a	n/a
\$	17,701	\$ 2,004	\$ 1,622	n/a	n/a
\$	2,767,440	\$ 2,484,105	\$ 2,984,958	n/a	n/a
	0.64%	0.08%	0.05%	n/a	n/a
	124.46%	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 NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability	2.141111%	2.151120%	2.182454%	2.179322%
City's proportionate share of the net pension liability	\$ 133,764,212	\$ 146,643,780	\$ 147,021,746	\$ 177,890,261
City's covered payroll	\$ 53,099,162	\$ 53,743,137	\$ 52,739,394	\$ 49,732,902
City's proportionate share of the net pension liability as a percentage of its covered payroll	251.91%	272.86%	278.77%	357.69%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	2.176727%	2.164529%	2.202642%	2.415104%	2.241510%
\$	133,595,564	\$ 137,099,085	\$ 141,697,531	\$ 116,119,585	\$ 109,168,588
\$	47,884,272	\$ 46,850,076	\$ 46,805,467	\$ 42,914,752	\$ 43,695,379
	279.00%	292.63%	302.74%	270.58%	249.84%
	70.91%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 10,427,011	\$ 10,153,673	\$ 10,336,925	\$ 10,869,619
Contributions in relation to the contractually required contribution	<u>(10,427,011)</u>	<u>(10,153,673)</u>	<u>(10,336,925)</u>	<u>(10,869,619)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 74,478,650	\$ 72,526,236	\$ 73,835,179	\$ 77,640,136
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 301,134	\$ 313,135	\$ 304,955	\$ 316,910
Contributions in relation to the contractually required contribution	<u>(301,134)</u>	<u>(313,135)</u>	<u>(304,955)</u>	<u>(316,910)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,150,957	\$ 2,236,679	\$ 2,178,250	\$ 2,263,643
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 287,115	\$ 272,263	\$ 278,308	\$ 288,576
Contributions in relation to the contractually required contribution	<u>(287,115)</u>	<u>(272,263)</u>	<u>(278,308)</u>	<u>(288,576)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,871,150	\$ 2,722,630	\$ 2,783,080	\$ 2,885,760
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 10,391,609	\$ 9,551,000	\$ 8,635,354	\$ 8,678,982	\$ 8,089,324	\$ 8,640,659
<u>(10,391,609)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 74,225,779	\$ 73,469,231	\$ 71,961,283	\$ 72,324,850	\$ 67,411,033	\$ 66,466,608
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 330,191	\$ 303,025	\$ 248,847	\$ 197,480	\$ 208,621	\$ 186,978
<u>(330,191)</u>	<u>(303,025)</u>	<u>(248,847)</u>	<u>(197,480)</u>	<u>(208,621)</u>	<u>(186,978)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,358,507	\$ 2,330,962	\$ 2,073,725	\$ 1,645,667	\$ 1,738,508	\$ 1,438,292
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 289,969	\$ 276,744	\$ 235,990	\$ 283,571		
<u>(289,969)</u>	<u>(276,744)</u>	<u>(235,990)</u>	<u>(283,571)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 2,899,690	\$ 2,767,440	\$ 2,484,105	\$ 2,984,958		
10.00%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Police:</i>				
Contractually required contribution	\$ 5,993,116	\$ 5,732,947	\$ 5,679,933	\$ 5,627,059
Contributions in relation to the contractually required contribution	<u>(5,993,116)</u>	<u>(5,732,947)</u>	<u>(5,679,933)</u>	<u>(5,627,059)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 31,542,716	\$ 30,173,405	\$ 29,894,384	\$ 29,616,100
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 5,735,410	\$ 5,387,553	\$ 5,604,457	\$ 5,433,974
Contributions in relation to the contractually required contribution	<u>(5,735,410)</u>	<u>(5,387,553)</u>	<u>(5,604,457)</u>	<u>(5,433,974)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 24,406,000	\$ 22,925,757	\$ 23,848,753	\$ 23,123,294
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 5,295,638	\$ 5,068,477	\$ 4,938,796	\$ 4,997,877	\$ 4,599,130	\$ 3,876,616
<u>(5,295,638)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,871,779	\$ 26,676,195	\$ 25,993,663	\$ 26,304,616	\$ 24,205,947	\$ 24,406,816
19.00%	19.00%	19.00%	19.00%	19.00%	15.88%
\$ 5,137,364	\$ 4,983,898	\$ 4,901,257	\$ 4,817,700	\$ 4,396,569	\$ 3,931,652
<u>(5,137,364)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,861,123	\$ 21,208,077	\$ 20,856,414	\$ 20,500,851	\$ 18,708,804	\$ 19,288,563
23.50%	23.50%	23.50%	23.50%	23.50%	20.38%

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 SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability/asset	0.496781%	0.521025%	0.546751%	0.560745%	0.569300%
City's proportionate share of the net OPEB liability/(asset)	\$ (15,559,940)	\$ (9,282,478)	\$ 75,520,518	\$ 73,107,912	\$ 61,821,787
City's covered payroll	\$ 77,485,545	\$ 78,796,459	\$ 82,789,539	\$ 79,483,976	\$ 78,567,633
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-20.08%	-11.78%	91.22%	91.98%	78.69%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%	54.14%

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

2017

0.551043%

\$ 55,657,232

\$ 76,519,113

72.74%

54.05%

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 SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability	2.141111%	2.151120%	2.182454%	2.179322%
City's proportionate share of the net OPEB liability	\$ 23,468,416	\$ 22,791,469	\$ 21,557,690	\$ 19,846,070
City's covered payroll	\$ 53,099,162	\$ 53,743,137	\$ 52,739,394	\$ 49,732,902
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	44.20%	42.41%	40.88%	39.91%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%

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

	<u>2018</u>		<u>2017</u>
	2.176727%		2.164529%
\$	123,330,304	\$	102,745,324
\$	47,884,272	\$	46,850,076
	257.56%		219.31%
	14.13%		15.96%

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 114,846	\$ 108,905	\$ 111,323	\$ 115,431
Contributions in relation to the contractually required contribution	<u>(114,846)</u>	<u>(108,905)</u>	<u>(111,323)</u>	<u>(115,431)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 79,500,757	\$ 77,485,545	\$ 78,796,509	\$ 82,789,539
Contributions as a percentage of covered payroll	0.14%	0.14%	0.14%	0.14%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 115,989	\$ 868,701	\$ 1,592,485	\$ 1,479,410	\$ 1,407,023	\$ 630,293
<u>(115,989)</u>	<u>(868,701)</u>	<u>(1,592,485)</u>	<u>(1,479,410)</u>	<u>(1,407,023)</u>	<u>(630,293)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 79,483,976	\$ 78,567,633	\$ 76,519,113	\$ 76,955,475	\$ 69,149,541	\$ 67,904,900
0.15%	1.11%	2.08%	1.92%	2.03%	0.93%

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Police:</i>				
Contractually required contribution	\$ 157,714	\$ 150,867	\$ 149,472	\$ 148,081
Contributions in relation to the contractually required contribution	<u>(157,714)</u>	<u>(150,867)</u>	<u>(149,472)</u>	<u>(148,081)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 31,542,716	\$ 30,173,405	\$ 29,894,384	\$ 29,616,100
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 122,030	\$ 114,629	\$ 119,244	\$ 115,616
Contributions in relation to the contractually required contribution	<u>(122,030)</u>	<u>(114,629)</u>	<u>(119,244)</u>	<u>(115,616)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 24,406,000	\$ 22,925,757	\$ 23,848,753	\$ 23,123,294
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 139,359	\$ 133,381	\$ 129,968	\$ 131,523	\$ 121,030	\$ 883,527
<u>(139,359)</u>	<u>(133,381)</u>	<u>(129,968)</u>	<u>(131,523)</u>	<u>(121,030)</u>	<u>(883,527)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,871,779	\$ 26,676,195	\$ 25,993,663	\$ 26,304,616	\$ 24,205,947	\$ 24,406,816
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%
\$ 109,306	\$ 106,040	\$ 104,282	\$ 102,504	\$ 93,544	\$ 698,246
<u>(109,306)</u>	<u>(106,040)</u>	<u>(104,282)</u>	<u>(102,504)</u>	<u>(93,544)</u>	<u>(698,246)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,861,123	\$ 21,208,077	\$ 20,856,414	\$ 20,500,851	\$ 18,708,804	\$ 19,288,563
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%

CITY OF DAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- 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.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 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.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

(Continued)

CITY OF DAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

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.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- 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.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, 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 8.25% 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.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.

(Continued)

CITY OF DAYTON, OHIO

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 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.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- 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.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

CITY OF DAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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.
- There were no changes in benefit terms from the amounts reported for 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.
- There were no changes in benefit terms from the amounts reported for 2022.

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 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%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.

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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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 135,876,000	\$ 144,876,000	\$ 154,563,220	\$ 9,687,220
Property and other taxes	6,480,800	6,944,200	6,635,669	(308,531)
State shared taxes	7,631,600	8,304,500	8,751,284	446,784
Charges for services	28,769,400	28,956,450	29,079,968	123,518
Licenses and permits	3,022,400	3,349,500	3,662,286	312,786
Fines and forfeitures	2,813,500	2,813,500	4,261,148	1,447,648
Intergovernmental	4,242,000	4,242,000	4,629,496	387,496
Special assessments	465,000	465,000	674,780	209,780
Investment income	2,897,800	2,897,800	2,147,318	(750,482)
Other	2,759,500	2,774,500	3,816,010	1,041,510
Total revenues	194,958,000	205,623,450	218,221,179	12,597,729
Expenditures:				
General operating:				
Clerk of commission	1,411,400	1,326,400	1,324,744	1,656
Civil service board	1,772,900	1,968,700	1,942,564	26,136
Human relations council	1,096,600	1,021,100	983,644	37,456
City manager's office	1,458,800	1,442,800	1,435,602	7,198
Office of sustainability	220,900	168,100	157,416	10,684
Office of public affairs	1,310,600	1,267,700	1,248,068	19,632
Department of planning & community development	9,998,800	9,615,200	9,300,187	315,013
Clerk of courts	4,079,900	3,790,900	3,754,711	36,189
Municipal court	5,287,300	5,092,200	5,004,313	87,887
Department of procurement, management and budget	2,020,250	1,759,245	1,689,502	69,743
Department of water	114,000	116,100	115,155	945
Department of law	2,959,100	2,647,400	2,615,312	32,088
Department of finance	4,842,700	3,753,500	3,658,610	94,890
Department of human resources	1,050,200	1,126,700	1,073,676	53,024
Department of information technology	6,991,700	6,507,600	6,396,218	111,382
Department of police	57,349,900	58,112,100	56,751,483	1,360,617
Department of fire	44,354,100	45,379,800	45,009,612	370,188
Department of public works	30,755,300	30,051,600	29,484,717	566,883
Department of recreation	3,984,300	3,384,700	3,189,136	195,564
Non-departmental	2,106,400	1,661,500	1,201,520	459,980
Special projects	23,166,300	24,087,200	18,643,889	5,443,311
Total expenditures	206,331,450	204,280,545	194,980,080	9,300,465
Excess (deficiency) of revenues over (under) expenditures	(11,373,450)	1,342,905	23,241,099	21,898,194
Other financing uses:				
Transfers in	-	37,515,000	11,300,000	(26,215,000)
Transfers (out)	(9,047,700)	(47,637,700)	(19,817,302)	27,820,398
Total other financing (uses)	(9,047,700)	(10,122,700)	(8,517,302)	1,605,398
Net change in fund balances	(20,421,150)	(8,779,795)	14,723,797	23,503,592
Fund balance at beginning of year	81,684,295	81,684,295	81,684,295	-
Prior year encumbrances appropriated	4,272,443	4,272,443	4,272,443	-
Balance sheet adjustments	1,370	1,370	1,370	-
Fund balance at end of year	\$ 65,536,958	\$ 77,178,313	\$ 100,681,905	\$ 23,503,592

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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 22,482,396	\$ 184,574	\$ 22,666,970
Receivables:			
Accounts	205,845	-	205,845
Accrued interest	28,843	117	28,960
Due from other governments	12,204,478	-	12,204,478
Loans receivable	2,272,699	-	2,272,699
Materials and supplies inventory	615,807	-	615,807
Prepayments	19,038	-	19,038
Total assets	\$ 37,829,106	\$ 184,691	\$ 38,013,797
Liabilities:			
Accounts payable	\$ 437,120	\$ -	\$ 437,120
Contracts payable	901,629	-	901,629
Accrued wages and benefits payable	226,673	-	226,673
Retainage payable	6,974	-	6,974
Interfund loans payable	1,125,082	-	1,125,082
Advances from other funds	776,000	-	776,000
Due to other governments	54,146	-	54,146
Total liabilities	3,527,624	-	3,527,624
Deferred inflows of resources:			
Accrued interest not available	18,029	73	18,102
Miscellaneous revenue not available	227,827	-	227,827
Intergovernmental revenue not available	10,641,698	-	10,641,698
Total deferred inflows of resources	10,887,554	73	10,887,627
Fund Balances:			
Nonspendable	818,881	102,228	921,109
Restricted	23,249,485	82,390	23,331,875
Unassigned	(654,438)	-	(654,438)
Total fund balances	23,413,928	184,618	23,598,546
Total liabilities, deferred inflows of resources and fund balances	\$ 37,829,106	\$ 184,691	\$ 38,013,797

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
State shared taxes.	\$ 7,513,069	\$ -	\$ 7,513,069
Charges for services.	559,676	-	559,676
Licenses and permits	33,890	-	33,890
Fines and forfeitures	813,415	-	813,415
Intergovernmental.	9,637,674	-	9,637,674
Special assessments	136,919	-	136,919
Investment income	67,962	277	68,239
Decrease in fair value of investments.	(485,540)	(1,781)	(487,321)
Other	2,199,995	-	2,199,995
Total revenues	<u>20,477,060</u>	<u>(1,504)</u>	<u>20,475,556</u>
Expenditures:			
Current:			
General government:			
Community development and neighborhoods.	8,894,051	-	8,894,051
Economic development	1,204,339	-	1,204,339
Leadership and quality of life	10,084,530	-	10,084,530
Corporate responsibility.	722,691	-	722,691
Public safety and justice.	3,114,463	-	3,114,463
Other	-	614	614
Capital outlay	6,974	-	6,974
Total expenditures.	<u>24,027,048</u>	<u>614</u>	<u>24,027,662</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(3,549,988)</u>	<u>(2,118)</u>	<u>(3,552,106)</u>
Other financing sources:			
Transfers in	79,702	-	79,702
Total other financing sources	<u>79,702</u>	<u>-</u>	<u>79,702</u>
Net change in fund balances	(3,470,286)	(2,118)	(3,472,404)
Fund balances at beginning of year	<u>26,884,214</u>	<u>186,736</u>	<u>27,070,950</u>
Fund balances at end of year	<u>\$ 23,413,928</u>	<u>\$ 184,618</u>	<u>\$ 23,598,546</u>

CITY OF DAYTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Assets:			
Equity in pooled cash and investments	\$ 2,950,859	\$ 700,156	\$ 17,785,000
Receivables:			
Accounts	146,013	-	58,032
Accrued interest	-	-	23,215
Due from other governments	3,219,876	257,821	70,529
Loans receivable	-	-	-
Materials and supplies inventory	615,807	-	-
Prepayments	-	-	6,412
Total assets	<u>\$ 6,932,555</u>	<u>\$ 957,977</u>	<u>\$ 17,943,188</u>
Liabilities:			
Accounts payable	\$ 24,667	\$ 22,830	\$ 14,169
Contracts payable	19,224	3,141	199,539
Accrued wages and benefits payable	180,694	1,089	15,181
Retainage payable	-	-	-
Interfund loans payable	-	-	-
Advances from other funds	-	-	-
Due to other governments	25,524	1,437	6,821
Total liabilities	<u>250,109</u>	<u>28,497</u>	<u>235,710</u>
Deferred inflows of resources:			
Accrued interest not available	-	-	14,511
Miscellaneous revenue not available	123,436	-	102,666
Intergovernmental revenue not available	2,092,335	170,360	25,895
Total deferred inflows of resources	<u>2,215,771</u>	<u>170,360</u>	<u>143,072</u>
Fund Balances:			
Nonspendable	615,807	-	6,412
Restricted	3,850,868	759,120	17,557,994
Unassigned	-	-	-
Total fund balances	<u>4,466,675</u>	<u>759,120</u>	<u>17,564,406</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,932,555</u>	<u>\$ 957,977</u>	<u>\$ 17,943,188</u>

HUD Programs	Miscellaneous Grants	Total
\$ -	\$ 1,046,381	\$ 22,482,396
1,800	-	205,845
-	5,628	28,843
4,889,806	3,766,446	12,204,478
2,272,699	-	2,272,699
-	-	615,807
-	12,626	19,038
<u>\$ 7,164,305</u>	<u>\$ 4,831,081</u>	<u>\$ 37,829,106</u>
\$ 333,150	\$ 42,304	\$ 437,120
477,098	202,627	901,629
17,219	12,490	226,673
6,974	-	6,974
1,125,082	-	1,125,082
776,000	-	776,000
7,653	12,711	54,146
<u>2,743,176</u>	<u>270,132</u>	<u>3,527,624</u>
-	3,518	18,029
1,725	-	227,827
4,889,806	3,463,302	10,641,698
<u>4,891,531</u>	<u>3,466,820</u>	<u>10,887,554</u>
184,036	12,626	818,881
-	1,081,503	23,249,485
(654,438)	-	(654,438)
<u>(470,402)</u>	<u>1,094,129</u>	<u>23,413,928</u>
<u>\$ 7,164,305</u>	<u>\$ 4,831,081</u>	<u>\$ 37,829,106</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, 2022

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Revenues:			
State shared taxes	\$ 6,990,067	\$ 523,002	\$ -
Charges for services	5,319	-	206,300
Licenses and permits	-	-	33,890
Fines and forfeitures	-	-	136,862
Intergovernmental	-	-	847,319
Special assessments	-	-	120,730
Investment income	-	-	54,944
Decrease in fair value of investments	-	-	(379,519)
Other	<u>199,043</u>	<u>-</u>	<u>1,857,200</u>
Total revenues	<u>7,194,429</u>	<u>523,002</u>	<u>2,877,726</u>
Expenditures:			
Current:			
General government:			
Community development and neighborhoods	6,224	-	183,744
Economic development	-	-	950,149
Leadership and quality of life	6,716,279	533,020	572,879
Corporate responsibility	597	-	722,094
Public safety and justice	-	-	855,414
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,723,100</u>	<u>533,020</u>	<u>3,284,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>471,329</u>	<u>(10,018)</u>	<u>(406,554)</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	471,329	(10,018)	(406,554)
Fund balances at beginning of year	<u>3,995,346</u>	<u>769,138</u>	<u>17,970,960</u>
Fund balances at end of year	<u>\$ 4,466,675</u>	<u>\$ 759,120</u>	<u>\$ 17,564,406</u>

HUD Programs	Miscellaneous Grants	Total
\$ -	\$ -	\$ 7,513,069
7,865	340,192	559,676
-	-	33,890
-	676,553	813,415
7,489,812	1,300,543	9,637,674
16,189	-	136,919
-	13,018	67,962
-	(106,021)	(485,540)
20,800	122,952	2,199,995
<u>7,534,666</u>	<u>2,347,237</u>	<u>20,477,060</u>
8,272,256	431,827	8,894,051
-	254,190	1,204,339
1,828,738	433,614	10,084,530
-	-	722,691
184,036	2,075,013	3,114,463
6,974	-	6,974
<u>10,292,004</u>	<u>3,194,644</u>	<u>24,027,048</u>
<u>(2,757,338)</u>	<u>(847,407)</u>	<u>(3,549,988)</u>
<u>61,602</u>	<u>18,100</u>	<u>79,702</u>
<u>61,602</u>	<u>18,100</u>	<u>79,702</u>
(2,695,736)	(829,307)	(3,470,286)
<u>2,225,334</u>	<u>1,923,436</u>	<u>26,884,214</u>
<u>\$ (470,402)</u>	<u>\$ 1,094,129</u>	<u>\$ 23,413,928</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State shared taxes	\$ 7,032,450	\$ 7,032,450	\$ 6,976,828	\$ (55,622)
Charges for services	-	-	5,319	5,319
Other	140,000	140,000	211,699	71,699
Total revenues.	<u>7,172,450</u>	<u>7,172,450</u>	<u>7,193,846</u>	<u>21,396</u>
Expenditures:				
Department of public works	7,582,400	7,632,400	6,615,885	1,016,515
Total expenditures.	<u>7,582,400</u>	<u>7,632,400</u>	<u>6,615,885</u>	<u>1,016,515</u>
Net change in fund balance	(409,950)	(459,950)	577,961	1,037,911
Fund balance at beginning of year.	2,591,187	2,591,187	2,591,187	-
Prior year encumbrances appropriated.	200,396	200,396	200,396	-
Fund balance at end of year.	<u>\$ 2,381,633</u>	<u>\$ 2,331,633</u>	<u>\$ 3,369,544</u>	<u>\$ 1,037,911</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, 2022

	<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	\$ 1,164,350	\$ 554,750	\$ 522,479	\$ (32,271)
Other	10,000	10,000	-	(10,000)
Total revenues.	<u>1,174,350</u>	<u>564,750</u>	<u>522,479</u>	<u>(42,271)</u>
Expenditures:				
Department of public works	<u>599,600</u>	<u>599,600</u>	<u>574,582</u>	<u>25,018</u>
Total expenditures.	<u>599,600</u>	<u>599,600</u>	<u>574,582</u>	<u>25,018</u>
Net change in fund balance	574,750	(34,850)	(52,103)	(17,253)
Fund balance at beginning of year.	706,643	706,643	706,643	-
Prior year encumbrances appropriated.	<u>45,592</u>	<u>45,592</u>	<u>45,592</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,326,985</u>	<u>\$ 717,385</u>	<u>\$ 700,132</u>	<u>\$ (17,253)</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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 465,760	\$ 473,160	\$ 206,300	\$ (266,860)
Fines and forfeitures	22,000	22,000	21,459	(541)
Special assessments	-	-	120,730	120,730
Other	2,160,000	2,160,000	2,729,835	569,835
Total revenues.	<u>2,647,760</u>	<u>2,655,160</u>	<u>3,078,324</u>	<u>423,164</u>
Expenditures:				
Various departments	8,270,920	9,778,420	4,752,901	5,025,519
Total expenditures.	<u>8,270,920</u>	<u>9,778,420</u>	<u>4,752,901</u>	<u>5,025,519</u>
Net change in fund balance.	(5,623,160)	(7,123,260)	(1,674,577)	5,448,683
Fund balance at beginning of year.	18,238,603	18,238,603	18,238,603	-
Prior year encumbrances appropriated.	<u>1,669,490</u>	<u>1,669,490</u>	<u>1,669,490</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,284,933</u>	<u>\$ 12,784,833</u>	<u>\$ 18,233,516</u>	<u>\$ 5,448,683</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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 10,220,184	\$ 11,930,680	\$ 1,066,464	\$ (10,864,216)
Fines and forfeitures	187,654	187,654	676,553	488,899
Charges for services	728,737	728,737	340,192	(388,545)
Other	5,879,786	4,435,290	124,785	(4,310,505)
Total revenues.	<u>17,016,361</u>	<u>17,282,361</u>	<u>2,207,994</u>	<u>(15,074,367)</u>
Expenditures:				
Other grants	16,491,389	16,652,439	9,941,710	6,710,729
Total expenditures.	<u>16,491,389</u>	<u>16,652,439</u>	<u>9,941,710</u>	<u>6,710,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>524,972</u>	<u>629,922</u>	<u>(7,733,716)</u>	<u>(8,363,638)</u>
Other financing sources:				
Transfers in	50,000	68,100	18,100	(50,000)
Total other financing sources.	<u>50,000</u>	<u>68,100</u>	<u>18,100</u>	<u>(50,000)</u>
Net change in fund balances.	<u>574,972</u>	<u>698,022</u>	<u>(7,715,616)</u>	<u>(8,413,638)</u>
Fund balance at beginning of year.	1,900,270	1,900,270	1,900,270	-
Prior year encumbrances appropriated.	6,956,295	6,956,295	6,956,295	-
Balance sheet adjustments.	500	500	500	-
Fund balance at end of year.	<u>\$ 9,432,037</u>	<u>\$ 9,555,087</u>	<u>\$ 1,141,449</u>	<u>\$ (8,413,638)</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMANENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Other	\$ -	\$ -	\$ 275	\$ 275
Total revenues.	-	-	275	275
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)	275	50,275
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>\$ 252,050</u>	<u>\$ 50,275</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, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Property and other taxes.	\$ 7,825,600	\$ 8,487,200	\$ 8,109,993	\$ (377,207)
Intergovernmental.	1,047,000	1,047,000	991,985	(55,015)
Other	397,400	397,400	1,423,165	1,025,765
Total revenues.	<u>9,270,000</u>	<u>9,931,600</u>	<u>10,525,143</u>	<u>593,543</u>
Expenditures:				
Department of finance	9,369,400	9,369,400	9,267,326	102,074
Total expenditures.	<u>9,369,400</u>	<u>9,369,400</u>	<u>9,267,326</u>	<u>102,074</u>
Excess of expenditures over revenues	(99,400)	562,200	1,257,817	695,617
Other financing sources:				
Transfers in	925,400	925,400	925,400	-
Total other financing sources	<u>925,400</u>	<u>925,400</u>	<u>925,400</u>	<u>-</u>
Net change in fund balance	826,000	1,487,600	2,183,217	695,617
Fund balance at beginning of year.	32,638,442	32,638,442	32,638,442	-
Balance sheet adjustments.	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,455,442</u>	<u>\$ 34,117,042</u>	<u>\$ 34,812,659</u>	<u>\$ 695,617</u>

CITY OF DAYTON, OHIO

SCHEDULE 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, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 68,988,087	\$ 42,773,087	\$ 68,988,087	\$ 26,215,000
Other	-	-	505,828	505,828
Total revenues.	<u>68,988,087</u>	<u>42,773,087</u>	<u>69,493,915</u>	<u>26,720,828</u>
Expenditures:				
Other	<u>137,598,371</u>	<u>100,083,391</u>	<u>22,166,498</u>	<u>77,916,893</u>
Total expenditures.	<u>137,598,371</u>	<u>100,083,391</u>	<u>22,166,498</u>	<u>77,916,893</u>
Excess of expenditures over revenues	<u>(68,610,284)</u>	<u>(57,310,304)</u>	<u>47,327,417</u>	<u>104,637,721</u>
Other financing sources:				
Transfers in	-	26,215,000	26,215,000	-
Transfers out	-	(37,515,000)	(37,515,000)	-
Total other financing sources	<u>-</u>	<u>(11,300,000)</u>	<u>(11,300,000)</u>	<u>-</u>
Net change in fund balance	<u>(68,610,284)</u>	<u>(68,610,304)</u>	<u>36,027,417</u>	<u>104,637,721</u>
Fund balance at beginning of year.	68,713,642	68,713,642	68,713,642	-
Prior year encumbrances appropriated.	16,192,355	16,192,355	16,192,355	-
Balance sheet adjustments	<u>-</u>	<u>-</u>	<u>(68,713,642)</u>	<u>(68,713,642)</u>
Fund balance at end of year	<u>\$ 16,295,713</u>	<u>\$ 16,295,693</u>	<u>\$ 52,219,772</u>	<u>\$ 35,924,079</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.

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

	<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.	\$ 1,056,174	\$ 145,584	\$ 415,531	\$ 12,830,144
Receivables:				
Accounts.	707	-	-	-
Accrued interest	-	-	-	-
Due from other governments.	76,371	5,024	-	-
Inventory held for resale	212,989	296,589	-	-
Prepayments	3,604	691	-	-
Advances to other funds	-	-	-	-
Total current assets.	<u>1,349,845</u>	<u>447,888</u>	<u>415,531</u>	<u>12,830,144</u>
Noncurrent assets:				
Net pension asset	50,014	7,499	1,482	5,279
Net OPEB asset	386,879	58,006	11,461	40,836
Capital assets:				
Land	-	75,000	-	-
Depreciable capital assets, net	265,169	580,572	-	-
Total noncurrent assets.	<u>702,062</u>	<u>721,077</u>	<u>12,943</u>	<u>46,115</u>
Total assets.	<u>2,051,907</u>	<u>1,168,965</u>	<u>428,474</u>	<u>12,876,259</u>
Deferred outflows of resources:				
Asset retirement obligation	2,070,000	-	-	-
Pension	576,027	550,287	13,891	65,708
OPEB	17,671	161,488	85	9,152
Total deferred outflows of resources	<u>2,663,698</u>	<u>711,775</u>	<u>13,976</u>	<u>74,860</u>
Total assets and deferred outflows of resources	<u>4,715,605</u>	<u>1,880,740</u>	<u>442,450</u>	<u>12,951,119</u>
Liabilities:				
Current liabilities:				
Accounts payable.	142,178	16,086	10,929	-
Contracts payable.	-	2,150	-	-
Accrued wages and benefits payable.	109,138	19,827	1,553	5,776
Due to other governments	25,063	5,395	2,113	2,347
Asset retirement obligations	2,070,000	-	-	-
Compensated absences payable - current.	118,778	30,765	3,813	11,481
Claims and judgments payable	-	-	-	2,780,950
Total current liabilities	<u>2,465,157</u>	<u>74,223</u>	<u>18,408</u>	<u>2,800,554</u>
Long-term liabilities:				
Compensated absences payable	60,923	15,780	1,956	5,891
Net OPEB liability	-	71,124	-	-
Net pension liability	1,080,987	567,463	32,024	114,102
Claims and judgements payable	-	-	-	-
Total long-term liabilities	<u>1,141,910</u>	<u>654,367</u>	<u>33,980</u>	<u>119,993</u>
Total liabilities	<u>3,607,067</u>	<u>728,590</u>	<u>52,388</u>	<u>2,920,547</u>
Deferred inflows of resources:				
OPEB.	443,998	226,563	22,329	42,192
Pension.	1,388,350	593,002	56,777	139,925
Total deferred inflows of resources.	<u>1,832,348</u>	<u>819,565</u>	<u>79,106</u>	<u>182,117</u>
Total liabilities and deferred inflows of resources	<u>5,439,415</u>	<u>1,548,155</u>	<u>131,494</u>	<u>3,102,664</u>
Net position:				
Net investment in capital assets	265,169	655,572	-	-
Unrestricted (deficit).	(988,979)	(322,987)	310,956	9,848,455
Total net position (deficit)	<u>\$ (723,810)</u>	<u>\$ 332,585</u>	<u>\$ 310,956</u>	<u>\$ 9,848,455</u>

Workers' Compensation	Plumbing Shop	Total
\$ 19,258,455	\$ 315,524	\$ 34,021,412
-	-	707
44,202	-	44,202
-	-	81,395
-	-	509,578
-	-	4,295
4,775,000	-	4,775,000
<u>24,077,657</u>	<u>315,524</u>	<u>39,436,589</u>
9,691	7,786	81,751
74,961	60,225	632,368
-	-	75,000
-	95,120	940,861
<u>84,652</u>	<u>163,131</u>	<u>1,729,980</u>
<u>24,162,309</u>	<u>478,655</u>	<u>41,166,569</u>
-	-	2,070,000
105,504	75,325	1,386,742
10,921	2,106	201,423
<u>116,425</u>	<u>77,431</u>	<u>3,658,165</u>
<u>24,278,734</u>	<u>556,086</u>	<u>44,824,734</u>
14,591	16,395	200,179
2,211	-	4,361
11,513	18,173	165,980
4,476	3,359	42,753
-	-	2,070,000
26,573	25,953	217,363
937,439	-	3,718,389
<u>996,803</u>	<u>63,880</u>	<u>6,419,025</u>
13,633	13,314	111,497
-	-	71,124
209,450	168,276	2,172,302
3,031,304	-	3,031,304
<u>3,254,387</u>	<u>181,590</u>	<u>5,386,227</u>
<u>4,251,190</u>	<u>245,470</u>	<u>11,805,252</u>
81,997	70,398	887,477
289,209	263,705	2,730,968
<u>371,206</u>	<u>334,103</u>	<u>3,618,445</u>
<u>4,622,396</u>	<u>579,573</u>	<u>15,423,697</u>
-	95,120	1,015,861
<u>19,656,338</u>	<u>(118,607)</u>	<u>28,385,176</u>
<u>\$ 19,656,338</u>	<u>\$ (23,487)</u>	<u>\$ 29,401,037</u>

CITY OF DAYTON, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Fleet Management</u>	<u>Fire Fleet Management</u>	<u>Stores and Reproduction</u>	<u>Health Insurance</u>
Operating revenues:				
Charges for services	\$ 8,997,043	\$ 1,246,845	\$ 133,955	\$ 24,389,812
Other operating revenues	29,785	830	409,492	-
Total operating revenues.	<u>9,026,828</u>	<u>1,247,675</u>	<u>543,447</u>	<u>24,389,812</u>
Operating expenses:				
Personnel services	2,126,348	456,264	61,439	309,488
Fringe benefits.	(199,191)	(13,774)	(43,916)	38,761
Contract services.	954,765	183,923	349,891	5,016,632
Materials and supplies	26,263	-	946	2,273
Cost of sales	5,415,418	441,081	31,443	-
Utilities	1,392	24,919	-	-
Claims expense	-	-	-	19,999,666
Depreciation	35,536	22,346	-	-
Other.	16,395	5,420	12,189	130,523
Total operating expenses.	<u>8,376,926</u>	<u>1,120,179</u>	<u>411,992</u>	<u>25,497,343</u>
Operating income (loss)	<u>649,902</u>	<u>127,496</u>	<u>131,455</u>	<u>(1,107,531)</u>
Nonoperating revenues (expenses):				
Interest income.	-	-	-	-
Decrease in fair value of investments	-	-	-	-
Total nonoperating revenues (expenses).	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position.	649,902	127,496	131,455	(1,107,531)
Net position (deficit) at beginning of year.	<u>(1,373,712)</u>	<u>205,089</u>	<u>179,501</u>	<u>10,955,986</u>
Net position (deficit) at end of year	<u>\$ (723,810)</u>	<u>\$ 332,585</u>	<u>\$ 310,956</u>	<u>\$ 9,848,455</u>

Workers' Compensation	Plumbing Shop	Total
\$ 2,834,002	\$ 732,181	\$ 38,333,838
-	-	440,107
2,834,002	732,181	38,773,945
424,902	320,214	3,698,655
7,219	(10,051)	(220,952)
707,400	1,929	7,214,540
111,947	134,512	275,941
-	-	5,887,942
-	-	26,311
2,865,919	-	22,865,585
-	18,116	75,998
108,459	-	272,986
4,225,846	464,720	40,097,006
(1,391,844)	267,461	(1,323,061)
299,177	-	299,177
(725,210)	-	(725,210)
(426,033)	-	(426,033)
(1,817,877)	267,461	(1,749,094)
21,474,215	(290,948)	31,150,131
\$ 19,656,338	\$ (23,487)	\$ 29,401,037

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<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 . . .	\$ 8,926,642	\$ 1,269,475	\$ 133,955	\$ 24,389,812
Cash received from other operations	29,785	830	409,492	-
Cash payments for personnel services	(2,074,320)	(482,807)	(61,700)	(310,256)
Cash payments for fringe benefits.	(826,376)	(184,451)	(30,772)	(91,491)
Cash payments for contractual services	(896,816)	(189,616)	(343,068)	(5,041,632)
Cash payments for materials and supplies	(105,403)	-	(991)	(2,273)
Cash payments for cost of goods sold	(5,436,067)	(431,331)	(31,443)	-
Cash payments for utilities.	(935)	(24,157)	-	-
Cash payments for claims.	-	-	-	(20,166,516)
Cash payments for other expenses	<u>(17,195)</u>	<u>(5,420)</u>	<u>(9,559)</u>	<u>(131,523)</u>
Net cash provided by (used in) operating activities. .	<u>(400,685)</u>	<u>(47,477)</u>	<u>65,914</u>	<u>(1,353,879)</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 investing activities:				
Interest received and fair value adjustment	-	-	-	-
Net cash provided by (used in) investing activities . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents. . . .	(400,685)	(47,477)	65,914	(1,353,879)
Cash and cash equivalents at beginning of year.	<u>1,456,859</u>	<u>193,061</u>	<u>349,617</u>	<u>14,184,023</u>
Cash and cash equivalents at end of year	<u>\$ 1,056,174</u>	<u>\$ 145,584</u>	<u>\$ 415,531</u>	<u>\$ 12,830,144</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 649,902	\$ 127,496	\$ 131,455	\$ (1,107,531)
Adjustments:				
Depreciation	35,536	22,346	-	-
Changes in assets, deferred inflows, liabilities and deferred outflows:				
Net pension asset.	(16,732)	2,071	(343)	(1,609)
Net OPEB asset.	(182,450)	778	(4,465)	(18,293)
Deferred outflows for OPEB.	85,227	71,161	3,436	22,345
Deferred outflows for pension.	(336,226)	71,420	(5,685)	(6,409)
Accounts receivable.	(588)	6,599	-	-
Due from other governments.	(69,813)	16,031	-	-
Prepayments.	(455)	(691)	-	-
Inventory held for resale.	(20,649)	12,790	-	-
Accounts payable.	(21,625)	(9,430)	7,928	(1,000)
Contracts payable.	-	2,150	-	(25,000)
Accrued wages and benefits.	44,317	(2,544)	292	1,474
Due to other governments.	3,432	(1,483)	1,377	117
Net pension liability.	(628,647)	(384,962)	(26,480)	(74,426)
Net OPEB liability.	-	(497)	-	-
Deferred inflows - pension.	388,986	192,414	(14,593)	(27,809)
Deferred inflows - OPEB.	(349,958)	(146,892)	(26,502)	53,224
Compensated absences payable.	19,058	(26,234)	(506)	(2,112)
Claims payable.	-	-	-	(166,850)
Net cash provided by (used in) operating activities . . .	<u>\$ (400,685)</u>	<u>\$ (47,477)</u>	<u>\$ 65,914</u>	<u>\$ (1,353,879)</u>

	Workers' Compensation	Plumbing Shop	Total
\$	2,834,002	\$ 732,181	\$ 38,286,067
	-	-	440,107
	(409,605)	(324,935)	(3,663,623)
	(133,831)	(123,139)	(1,390,060)
	(718,982)	(1,929)	(7,192,043)
	(109,685)	(127,323)	(345,675)
	-	-	(5,898,841)
	-	-	(25,092)
	(2,115,505)	-	(22,282,021)
	(108,459)	-	(272,156)
	<u>(762,065)</u>	<u>154,855</u>	<u>(2,343,337)</u>
	<u>1,505,000</u>	<u>-</u>	<u>1,505,000</u>
	<u>1,505,000</u>	<u>-</u>	<u>1,505,000</u>
	<u>(446,253)</u>	<u>-</u>	<u>(446,253)</u>
	<u>(446,253)</u>	<u>-</u>	<u>(446,253)</u>
	296,682	154,855	(1,284,590)
	<u>18,961,773</u>	<u>160,669</u>	<u>35,306,002</u>
\$	<u><u>19,258,455</u></u>	<u><u>315,524</u></u>	<u><u>34,021,412</u></u>
\$	(1,391,844)	\$ 267,461	\$ (1,323,061)
	-	18,116	75,998
	(1,998)	(877)	(19,488)
	(27,709)	(17,787)	(249,926)
	40,594	31,768	254,531
	(6,547)	(9,420)	(292,867)
	-	-	6,011
	-	-	(53,782)
	-	-	(1,146)
	-	-	(7,859)
	(10,178)	7,189	(27,116)
	858	-	(21,992)
	2,739	6,043	52,321
	45	163	3,651
	(185,713)	(186,630)	(1,486,858)
	-	-	(497)
	116,124	108,284	763,406
	(62,415)	(59,302)	(591,845)
	13,565	(10,153)	(6,382)
	<u>750,414</u>	<u>-</u>	<u>583,564</u>
\$	<u><u>(762,065)</u></u>	<u><u>154,855</u></u>	<u><u>(2,343,337)</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, 2022

	Municipal Court	Executive Severance	Miami Township Dayton JEDD	Building Permit Surcharge
Assets:				
Equity in pooled cash and investments	\$ -	\$ -	\$ 1,279,305	\$ 96,795
Cash with fiscal agent	1,396,090	-	-	-
Investments	-	1,222,341	-	-
Receivables:				
Special assessments	-	-	-	-
Income taxes	-	-	60,469	-
Total assets	\$ 1,396,090	\$ 1,222,341	\$ 1,339,774	\$ 96,795
Liabilities:				
Due to other governments	\$ 29,211	\$ -	\$ 132,173	\$ 2,867
Due to other funds	861,402	-	-	-
Total liabilities	890,613	-	132,173	2,867
Net Position:				
Restricted for individuals, organizations and other governments .	505,477	1,222,341	1,207,601	93,928
Total net position	\$ 505,477	\$ 1,222,341	\$ 1,207,601	\$ 93,928

Butler Township Dayton JEDD	Special Improvement District	Engergy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ 84,326	\$ -	\$ 99,390	\$ 2,731,529	\$ 4,291,345
-	-	-	-	1,396,090
-	-	-	-	1,222,341
-	5,170,126	20,349,945	-	25,520,071
4,408	-	-	-	64,877
<u>\$ 88,734</u>	<u>\$ 5,170,126</u>	<u>\$ 20,449,335</u>	<u>\$ 2,731,529</u>	<u>\$ 32,494,724</u>
\$ 4,676	\$ -	\$ -	\$ -	\$ 168,927
-	-	-	-	861,402
<u>4,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,329</u>
84,058	5,170,126	20,449,335	2,731,529	31,464,395
<u>\$ 84,058</u>	<u>\$ 5,170,126</u>	<u>\$ 20,449,335</u>	<u>\$ 2,731,529</u>	<u>\$ 31,464,395</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Municipal Court</u>	<u>Executive Severance</u>	<u>Miami Township Dayton JEDD</u>
Additions:			
Amounts received as fiscal agent \$	-	\$ 167,910	\$ -
Licenses, permits and fees for other governments	-	-	-
Fines and forfeitures for other governments	3,898,251	-	-
Income tax collection for other governments	-	-	532,139
Special assessments collections for other governments .	-	-	-
Earnings on investments	-	27,924	-
Fair value adjustment	-	(141,273)	-
Total additions	<u>3,898,251</u>	<u>54,561</u>	<u>532,139</u>
Deductions:			
<i>Current:</i>			
Distributions to the State of Ohio	379,497	-	-
Distributions of state funds to other governments	3,699,898	-	-
Distributions to individuals	-	87,160	-
Income tax distributions to other governments	-	-	406,101
Special assessment distributions to other governments .	-	-	-
Other custodial fund disbursements	-	11,354	-
Total deductions	<u>4,079,395</u>	<u>98,514</u>	<u>406,101</u>
Net change in fiduciary net position	(181,144)	(43,953)	126,038
Net position at beginning of year	<u>686,621</u>	<u>1,266,294</u>	<u>1,081,563</u>
Net position at end of year	<u>\$ 505,477</u>	<u>\$ 1,222,341</u>	<u>\$ 1,207,601</u>

Building Permit Surcharge	Butler Township Dayton JEDD	Special Improvement District	Engergy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,910
41,495	-	-	-	-	41,495
-	-	-	-	-	3,898,251
-	13,516	-	-	-	545,655
-	-	-	14,323,635	-	14,323,635
-	-	-	-	-	27,924
-	-	-	-	394,765	253,492
<u>41,495</u>	<u>13,516</u>	<u>-</u>	<u>14,323,635</u>	<u>394,765</u>	<u>19,258,362</u>
-	-	-	-	-	379,497
-	-	-	-	-	3,699,898
-	-	-	-	-	87,160
-	14,206	-	-	-	420,307
-	-	1,640,000	1,036,067	-	2,676,067
<u>21,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,709</u>	<u>363,636</u>
<u>21,573</u>	<u>14,206</u>	<u>1,640,000</u>	<u>1,036,067</u>	<u>330,709</u>	<u>7,626,565</u>
19,922	(690)	(1,640,000)	13,287,568	64,056	11,631,797
<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>
<u>\$ 93,928</u>	<u>\$ 84,058</u>	<u>\$ 5,170,126</u>	<u>\$ 20,449,335</u>	<u>\$ 2,731,529</u>	<u>\$ 31,464,395</u>

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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)**

	<u>2013</u>	<u>2014 (2)</u>	<u>2015</u>	<u>2016 (1)</u>
Governmental activities				
Net investment in capital assets	\$ 375,002,891	\$ 380,538,467	\$ 378,194,645	\$ 372,458,561
Restricted	63,085,637	60,235,431	63,381,287	57,403,783
Unrestricted	71,855,215	(29,254,490)	(28,570,356)	(29,568,811)
Total governmental activities net position	<u>\$ 509,943,743</u>	<u>\$ 411,519,408</u>	<u>\$ 413,005,576</u>	<u>\$ 400,293,533</u>
Business-type activities				
Net investment in capital assets	\$ 407,888,085	\$ 420,343,386	\$ 451,108,014	\$ 461,538,909
Restricted	-	-	-	9,514,757
Unrestricted	191,931,048	161,812,038	149,357,573	145,505,912
Total business-type activities net position	<u>\$ 599,819,133</u>	<u>\$ 582,155,424</u>	<u>\$ 600,465,587</u>	<u>\$ 616,559,578</u>
Primary government				
Net investment in capital assets	\$ 782,890,976	\$ 800,881,853	\$ 829,302,659	\$ 833,997,470
Restricted	63,085,637	60,235,431	63,381,287	66,918,540
Unrestricted	263,786,263	132,557,548	120,787,217	115,937,101
Total primary government net position	<u>\$ 1,109,762,876</u>	<u>\$ 993,674,832</u>	<u>\$ 1,013,471,163</u>	<u>\$ 1,016,853,111</u>

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

(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

	2017	2018	2019	2020	2021	2022
\$	398,432,088	\$ 395,757,572	\$ 401,873,312	\$ 405,787,507	\$ 421,566,784	\$ 422,099,338
	46,244,345	38,778,126	45,569,063	76,866,903	76,598,587	101,513,886
	(55,083,379)	(189,850,322)	(114,059,783)	(124,725,645)	(58,065,897)	(7,199,250)
\$	<u>389,593,054</u>	<u>\$ 244,685,376</u>	<u>\$ 333,382,592</u>	<u>\$ 357,928,765</u>	<u>\$ 440,099,474</u>	<u>\$ 516,413,974</u>
\$	481,494,371	\$ 462,984,698	\$ 457,088,828	\$ 427,503,269	\$ 460,888,412	\$ 444,331,123
	9,737,907	11,039,351	12,324,022	12,170,942	33,465,120	14,038,741
	122,254,672	94,581,275	91,104,171	122,758,990	110,048,573	159,680,572
\$	<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>	<u>\$ 618,050,436</u>
\$	879,926,459	\$ 858,742,270	\$ 858,962,140	\$ 833,290,776	\$ 882,455,196	\$ 866,430,461
	55,982,252	49,817,477	57,893,085	89,037,845	110,063,707	115,552,627
	67,171,293	(95,269,047)	(22,955,612)	(1,966,655)	51,982,676	152,481,322
\$	<u>1,003,080,004</u>	<u>\$ 813,290,700</u>	<u>\$ 893,899,613</u>	<u>\$ 920,361,966</u>	<u>\$ 1,044,501,579</u>	<u>\$ 1,134,464,410</u>

CITY OF DAYTON, OHIO

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

	2013	2014	2015	2016
Expenses				
Governmental activities:				
Downtown	\$ 3,596,856	\$ 3,973,957	\$ 3,796,899	\$ 3,653,125
Youth, education and human services	2,904,850	3,499,722	550,914	120,375
Community development and neighbors	27,516,705	22,225,850	23,517,538	20,766,486
Economic development	15,682,768	13,940,292	15,401,684	10,273,961
Leadership and quality of life	42,108,488	42,943,946	46,597,492	43,181,443
Corporate responsibility	16,027,649	14,189,753	15,284,297	16,482,483
Public safety and justice	93,221,162	90,511,356	97,757,003	107,505,250
Interest and fiscal charges	2,958,434	2,803,443	2,942,225	3,074,675
Total governmental activities expenses	<u>204,016,912</u>	<u>194,088,319</u>	<u>205,848,052</u>	<u>205,057,798</u>
Business type activities:				
Dayton International Airport	40,954,651	41,476,361	42,627,742	39,640,671
Water	46,445,617	46,245,372	45,493,204	49,944,784
Sewer	31,515,981	29,448,754	28,009,025	30,326,605
Golf (1)	2,956,261	2,957,656	3,026,642	2,991,868
Storm Water	5,312,757	5,480,442	5,662,740	5,700,888
Total business-type activities expenses	<u>127,185,267</u>	<u>125,608,585</u>	<u>124,819,353</u>	<u>128,604,816</u>
Total primary government expenses	<u>\$ 331,202,179</u>	<u>\$ 319,696,904</u>	<u>\$ 330,667,405</u>	<u>\$ 333,662,614</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Downtown	\$ 571,365	\$ 572,477	\$ 659,723	\$ 625,740
Youth, education and human services	17,205	7,965	27,903	18,846
Community development and neighbors	3,456,330	3,017,823	2,675,576	2,394,632
Economic development	3,446,864	6,401,968	2,769,150	2,237,230
Leadership and quality of life	6,942,907	13,688,808	5,811,184	7,049,529
Corporate responsibility	2,667,492	2,850,358	2,834,131	2,738,963
Public safety and justice	21,385,906	25,704,452	20,823,804	18,653,411
Interest and fiscal charges	-	158,829	168,771	-
Operating grants and contributions	24,584,286	25,909,216	21,715,944	15,921,133
Capital grants and contributions	11,761,088	7,184,234	8,771,868	13,275,111
Total governmental activities program revenue	<u>74,833,443</u>	<u>85,496,130</u>	<u>66,258,054</u>	<u>62,914,595</u>
Business type activities:				
Charges for services:				
Dayton International Airport	24,723,701	26,454,375	24,974,019	26,086,061
Water	44,291,334	47,702,941	47,377,507	49,912,404
Sewer	30,245,346	32,034,019	33,960,790	32,309,554
Golf (1)	2,997,480	2,874,737	2,923,295	2,780,282
Storm Water	7,345,250	7,330,340	7,432,885	7,359,366
Operating grants and contributions	-	-	-	-
Capital grants and contributions	13,857,011	7,939,351	14,318,883	13,605,971
Total business-type activities program revenue	<u>123,460,122</u>	<u>124,335,763</u>	<u>130,987,379</u>	<u>132,053,638</u>
Total primary government program revenue	<u>\$ 198,293,565</u>	<u>\$ 209,831,893</u>	<u>\$ 197,245,433</u>	<u>\$ 194,968,233</u>

	2017	2018	2019	2020	2021	2022
\$	3,204,951	\$ 3,248,268	\$ 2,726,408	\$ 2,128,879	\$ 560,443	\$ 69,808
	219,529	3,619	54,866	4,014	28,886	27,506
	20,646,893	25,798,079	25,254,863	22,154,456	15,369,506	23,938,856
	26,135,222	10,043,435	8,674,622	11,237,840	8,118,338	14,075,369
	43,843,557	50,250,202	49,329,265	60,544,385	40,717,452	41,544,959
	18,800,773	19,535,052	20,580,700	19,467,597	12,141,683	15,269,428
	110,670,677	124,347,547	38,043,371	125,260,086	109,349,041	114,040,610
	2,845,159	2,860,206	2,981,938	2,694,531	2,183,217	2,375,389
	<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>	<u>211,341,925</u>
	45,920,196	68,544,041	43,623,230	40,744,537	31,775,566	36,580,249
	56,194,400	55,222,198	65,547,601	57,012,675	39,923,711	49,184,442
	32,211,627	33,486,248	38,112,769	33,613,614	25,547,369	36,513,792
	3,114,227	3,192,165	3,508,726	585,719	-	-
	7,110,595	7,633,423	8,595,536	7,770,296	3,487,403	7,223,546
	<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>129,502,029</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>	<u>340,843,954</u>
\$	472,445	\$ 425,925	\$ 397,109	\$ 266,479	\$ 128,476	\$ 378
	15,681	7,987	8,736	7,935	11,315	6,162
	2,210,260	2,299,222	2,905,272	2,758,521	3,249,846	3,543,283
	2,821,264	1,706,782	1,696,878	2,641,536	1,713,595	2,208,754
	5,968,710	7,571,863	12,126,655	9,647,147	7,720,438	6,098,456
	2,558,164	2,739,745	2,746,217	2,866,338	3,932,288	4,065,086
	17,943,019	20,355,926	21,739,918	23,164,177	22,346,697	26,250,227
	-	-	-	-	-	-
	14,355,175	17,511,214	13,610,856	39,311,609	43,953,799	59,510,561
	12,766,815	6,064,308	4,755,050	10,370,526	5,151,276	6,437,120
	<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>	<u>108,120,027</u>
	27,065,242	23,842,686	24,446,146	14,326,887	18,720,432	19,894,551
	48,891,167	51,561,435	50,886,932	51,143,602	54,546,618	51,407,290
	33,845,779	32,627,154	32,593,511	34,921,059	35,964,030	38,626,803
	2,746,574	2,733,253	3,043,272	730,063	-	-
	7,534,843	7,781,552	7,700,065	8,223,565	8,703,178	8,093,270
	-	-	-	7,906,697	6,204,905	-
	6,176,726	13,758,080	10,379,327	10,484,424	7,591,007	14,537,051
	<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>132,558,965</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>	<u>240,678,992</u>
					-- Continued	-- Continued

CITY OF DAYTON, OHIO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(CONTINUED)

(ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016
Net (Expense)/Revenue				
Governmental activities	\$ (129,183,469)	\$ (108,592,189)	\$ (139,589,998)	\$ (142,143,203)
Business-type activities	(3,725,145)	(1,272,822)	6,168,026	3,448,822
Total primary government net expense	<u>\$ (132,908,614)</u>	<u>\$ (109,865,011)</u>	<u>\$ (133,421,972)</u>	<u>\$ (138,694,381)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 14,355,108	\$ 12,918,102	\$ 12,155,647	\$ 12,530,977
Income taxes	101,967,172	103,721,834	107,633,425	109,275,331
Payments in lieu of taxes	1,406,710	1,771,683	1,599,086	1,639,517
Grants and entitlements	15,376,160	15,529,135	14,236,917	14,475,022
Investment earnings and fair value adjustment	1,241,997	1,722,766	1,852,285	2,258,330
Miscellaneous	4,167,506	3,453,599	3,598,806	3,399,230
Special item	-	-	-	-
Transfers	-	(360,000)	-	(501,000)
Total governmental activities general revenues	<u>138,514,653</u>	<u>138,757,119</u>	<u>141,076,166</u>	<u>143,077,407</u>
Business type activities:				
Investment earnings	113,372	485,592	535,994	863,088
Miscellaneous	11,564,565	12,044,998	11,606,143	12,535,999
Special item	-	-	-	-
Transfers	-	360,000	-	501,000
Total business-type activities	<u>11,677,937</u>	<u>12,890,590</u>	<u>12,142,137</u>	<u>13,900,087</u>
Total primary government	<u>\$ 150,192,590</u>	<u>\$ 151,647,709</u>	<u>\$ 153,218,303</u>	<u>\$ 156,977,494</u>
Changes in Net Position				
Governmental activities	\$ 9,331,184	\$ 30,164,930	\$ 1,486,168	\$ 934,204
Business-type activities	7,952,792	11,617,768	18,310,163	17,348,909
Total primary government	<u>\$ 17,283,976</u>	<u>\$ 41,782,698</u>	<u>\$ 19,796,331</u>	<u>\$ 18,283,113</u>

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

Source: City of Dayton financial records

2017	2018	2019	2020	2021	2022
\$ (167,255,228)	\$ (177,403,436)	\$ (87,659,342)	\$ (152,457,520)	\$ (100,260,836)	\$ (103,221,898)
(18,290,714)	(35,773,915)	(30,338,609)	(11,990,544)	30,996,121	3,056,936
\$ (185,545,942)	\$ (213,177,351)	\$ (117,997,951)	\$ (164,448,064)	\$ (69,264,715)	\$ (100,164,962)
\$ 9,749,960	\$ 12,108,678	\$ 12,690,158	\$ 13,989,145	\$ 14,240,066	\$ 13,685,283
125,253,442	128,707,187	134,065,969	133,827,851	147,325,533	153,481,195
1,997,895	1,816,290	1,473,194	2,046,235	1,735,177	1,645,403
13,618,351	12,253,756	14,796,558	12,900,243	14,736,982	17,997,082
2,118,284	3,247,089	5,007,325	2,932,744	(229,581)	(10,649,360)
4,334,317	4,916,381	5,093,872	8,547,703	4,623,368	3,376,795
-	-	-	2,809,772	-	-
(517,500)	(641,200)	(296,400)	(50,000)	-	-
156,554,749	162,408,181	172,830,676	177,003,693	182,431,545	179,536,398
1,552,267	2,979,857	5,084,705	2,501,826	(1,396,863)	(4,706,412)
13,148,319	14,653,243	16,869,201	14,164,670	12,369,646	15,297,807
-	-	-	(2,809,772)	-	-
517,500	641,200	296,400	50,000	-	-
15,218,086	18,274,300	22,250,306	13,906,724	10,972,783	10,591,395
\$ 171,772,835	\$ 180,682,481	\$ 195,080,982	\$ 190,910,417	\$ 193,404,328	\$ 190,127,793
\$ (10,700,479)	\$ (14,995,255)	\$ 85,171,334	\$ 24,546,173	\$ 82,170,709	\$ 76,314,500
(3,072,628)	(17,499,615)	(8,088,303)	1,916,180	41,968,904	13,648,331
\$ (13,773,107)	\$ (32,494,870)	\$ 77,083,031	\$ 26,462,353	\$ 124,139,613	\$ 89,962,831

CITY OF DAYTON, OHIO

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

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 10,556,945	\$ 11,113,881	\$ 10,582,684	\$ 11,130,189
Restricted	-	-	-	-
Committed	1,877,155	1,985,533	2,551,240	1,765,917
Assigned	22,147,568	21,268,158	20,365,988	26,532,688
Unassigned	26,287,308	27,221,281	28,939,568	23,499,869
Total general fund	<u>\$ 60,868,976</u>	<u>\$ 61,588,853</u>	<u>\$ 62,439,480</u>	<u>\$ 62,928,663</u>
Other Special Revenue				
Nonspendable	\$ -	\$ 500	\$ 3,163	\$ -
Restricted	5,678,456	5,420,505	5,782,016	-
Total other special revenue	<u>\$ 5,678,456</u>	<u>\$ 5,421,005</u>	<u>\$ 5,785,179</u>	<u>\$ -</u>
Local Fiscal Recovery				
Committed	\$ -	\$ -	\$ -	\$ -
Total Local Fiscal Recovery	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service Fund				
Restricted	\$ 26,962,021	\$ 26,915,684	\$ 27,686,642	\$ 28,459,284
Committed	407,021	419,906	408,494	416,466
Total debt service fund	<u>\$ 27,369,042</u>	<u>\$ 27,335,590</u>	<u>\$ 28,095,136</u>	<u>\$ 28,875,750</u>
Capital Improvement Fund				
Nonspendable	\$ 6,563	\$ -	\$ -	\$ -
Restricted	8,427,005	15,704,146	9,434,711	17,575,596
Committed	9,591,625	8,310,682	7,302,188	7,875,468
Assigned	8,885,969	8,203,654	10,779,323	6,301,554
Total capital improvement fund	<u>\$ 26,911,162</u>	<u>\$ 32,218,482</u>	<u>\$ 27,516,222</u>	<u>\$ 31,752,618</u>
Other governmental Funds				
Nonspendable	\$ 102,228	\$ 102,228	\$ 102,228	\$ 914,376
Restricted	8,104,755	11,755,537	8,216,413	13,151,325
Unreserved (deficit), reported in: Special revenue funds	-	-	(209,996)	-
Total other governmental funds	<u>\$ 8,206,983</u>	<u>\$ 11,857,765</u>	<u>\$ 8,108,645</u>	<u>\$ 14,065,701</u>
Total Fund Balances, Governmental Funds	<u>\$ 129,034,619</u>	<u>\$ 138,421,695</u>	<u>\$ 131,944,662</u>	<u>\$ 137,622,732</u>

Source: City of Dayton financial records

2017	2018	2019	2020	2021	2022
\$ 4,204,941	\$ 4,117,426	\$ 16,099,839	\$ 15,387,882	\$ 15,363,267	\$ 15,862,644
-	-	1,513,207	1,398,122	1,405,379	1,595,150
2,796,237	1,586,680	2,125,347	1,647,920	4,102,514	3,685,119
22,539,046	13,181,363	24,131,684	25,470,674	41,830,696	36,030,559
32,724,803	47,225,412	33,406,326	31,411,557	23,488,527	41,441,880
<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>	<u>\$ 98,615,352</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 25,022,443	\$ 43,582,156
-	-	-	-	\$ 25,022,443	\$ 43,582,156
\$ 28,241,475	\$ 26,744,173	\$ 24,407,460	\$ 24,761,009	\$ 25,808,501	\$ 27,531,340
422,416	443,573	452,758	457,950	476,268	496,016
<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>	<u>\$ 28,027,356</u>
\$ -	\$ 97,664	\$ 114,327	\$ 26,242	\$ 31,467	\$ 98,234
5,126,467	7,714,094	924,888	11,051,244	6,164,048	20,233,743
7,284,916	9,701,058	10,158,119	7,849,429	18,595,418	31,514,731
7,070,596	8,469,143	8,983,360	15,199,275	23,417,915	20,581,422
<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>	<u>\$ 72,428,130</u>
\$ 756,993	\$ 1,343,739	\$ 1,348,573	\$ 1,549,326	\$ 1,148,979	\$ 921,109
13,468,783	11,666,032	18,431,205	32,919,574	25,921,971	23,331,875
-	-	-	-	-	(654,438)
<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>\$ 23,598,546</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>	<u>\$ 266,251,540</u>

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

	2013	2014	2015	2016
Revenues				
Taxes	\$ 131,413,081	\$ 132,423,102	\$ 134,876,542	\$ 134,469,794
Charges for services	26,855,263	27,395,234	28,978,808	28,108,799
Licenses and permits	1,458,434	1,381,915	1,549,259	1,580,745
Fines and forfeits	4,217,985	3,815,470	2,737,317	1,383,357
Intergovernmental	38,037,763	31,756,758	27,257,994	34,659,554
Special assessments	344,211	754,970	2,778,402	3,016,394
Payments in lieu of taxes	1,195,609	1,590,825	1,757,149	1,687,149
Investment income	1,497,795	1,639,315	1,675,558	2,636,156
Increase (decrease) in fair value of investments	(240,888)	32,885	(16,440)	(470,837)
Other	9,830,450	5,528,609	5,878,638	5,807,497
Total revenues	<u>214,609,703</u>	<u>206,319,083</u>	<u>207,473,227</u>	<u>212,878,608</u>
Expenditures				
Current:				
Downtown	3,139,384	3,183,464	3,500,198	3,468,162
Youth, education and human services	2,902,251	708,900	493,757	104,913
Community development and neighborhoods	28,406,652	22,550,030	23,458,563	21,967,449
Economic development	15,142,478	13,346,277	14,864,797	9,646,066
Leadership and quality life	32,029,419	32,784,866	36,273,704	36,858,771
Corporate responsibility	15,163,461	15,486,893	14,800,055	15,410,341
Public safety and justice	95,650,844	95,477,660	94,684,266	98,253,686
Capital outlay	14,798,332	16,329,574	15,878,315	20,836,262
Debt service:				
Principal retirement	8,446,175	7,708,143	7,062,185	8,583,778
Interest and fiscal charges	3,164,241	2,843,361	3,052,165	2,844,231
Bond issuance costs	-	195,142	-	323,854
Total expenditures	<u>218,843,237</u>	<u>210,614,310</u>	<u>214,068,005</u>	<u>218,297,513</u>
Excess(deficiency) of revenues over expenditures	(4,233,534)	(4,295,227)	(6,594,778)	(5,418,905)
Other Financing Sources (Uses)				
Transfers in	6,838,592	6,076,041	9,500,959	5,504,550
Transfers out	(6,750,939)	(6,318,132)	(9,383,214)	(5,892,656)
Bond issuance	-	9,240,000	-	12,210,000
Issuance of loans	556,971	2,500,000	-	1,099,888
Payment of refunded bond escrow agent	-	-	-	(2,876,310)
Premium (discount) on bond issuance	-	249,270	-	1,051,503
(Discount) on note issuance	-	(60,196)	-	-
Lease transactions	-	1,995,320	-	-
Total other financing sources (uses)	<u>644,624</u>	<u>13,682,303</u>	<u>117,745</u>	<u>11,096,975</u>
Net change in fund balance	<u>\$ (3,588,910)</u>	<u>\$ 9,387,076</u>	<u>\$ (6,477,033)</u>	<u>\$ 5,678,070</u>
Capital expenditures	\$ 16,716,779	\$ 19,494,767	\$ 15,725,633	\$ 29,324,228
Debt service as a percentage of noncapital expenditures	5.74%	5.52%	5.10%	6.05%

Source: City of Dayton financial records

	2017	2018	2019	2020	2021	2022
\$	149,848,719	\$ 153,774,390	\$ 161,579,677	\$ 161,012,016	\$ 176,110,210	\$ 182,493,881
	26,429,834	26,759,391	27,771,388	27,496,031	29,511,502	30,431,660
	1,781,833	2,960,263	3,048,391	2,288,432	3,022,276	3,697,730
	900,272	3,669,384	2,795,582	1,979,932	4,208,969	4,676,281
	30,456,805	20,504,272	19,293,774	38,088,195	51,784,930	63,525,015
	2,971,185	3,433,417	3,502,218	3,147,171	709,870	507,499
	2,919,537	1,816,290	1,473,194	2,046,235	1,735,177	1,645,403
	2,451,887	2,943,134	3,223,585	2,492,105	1,802,988	2,937,193
	(486,307)	59,611	1,301,183	741,994	(2,206,730)	(12,700,922)
	6,885,769	7,711,233	12,311,516	17,215,672	6,876,444	5,882,527
	<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>	<u>283,096,267</u>
	2,842,200	2,733,701	2,493,895	1,679,149	609,816	2,064
	94,338	51,264	54,865	49,999	53,647	33,683
	21,003,433	24,152,389	22,009,086	20,446,273	20,944,475	26,568,292
	17,984,798	9,063,098	7,411,662	12,840,968	9,273,883	14,309,055
	36,259,335	39,832,359	43,342,457	47,512,651	39,875,908	39,684,459
	15,838,901	17,924,225	17,174,472	17,531,017	17,780,001	18,179,522
	101,559,290	105,696,870	111,002,549	118,410,502	115,272,534	121,929,410
	30,667,930	19,169,413	15,242,068	20,873,490	17,037,586	22,039,182
	7,422,744	7,601,277	7,842,451	6,242,680	6,654,095	7,014,197
	3,072,686	2,840,393	3,269,857	2,477,806	2,657,940	2,469,822
	-	191,897	-	241,655	-	285,846
	<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>	<u>252,515,532</u>
	(12,586,121)	(5,625,501)	6,457,146	8,201,593	43,395,751	30,580,735
	9,699,537	12,491,885	9,083,011	13,745,794	49,587,214	83,547,188
	(10,099,475)	(13,012,845)	(9,259,303)	(13,795,794)	(49,587,214)	(83,547,188)
	-	14,405,000	-	39,850,000	-	21,710,000
	-	-	-	739,155	251,438	-
	-	(1,211,639)	-	(23,863,009)	-	-
	-	606,784	-	2,155,372	-	1,183,412
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>(399,938)</u>	<u>13,279,185</u>	<u>(176,292)</u>	<u>18,831,518</u>	<u>251,438</u>	<u>22,893,412</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>	<u>\$ 53,474,147</u>
\$	31,630,721	\$ 21,227,738	\$ 21,789,083	\$ 28,930,054	\$ 21,202,091	\$ 26,711,734
	5.12%	5.02%	5.34%	3.98%	4.46%	4.20%

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
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
2022	128,338,623	81.80%	28,557,949	18.20%	156,896,572	5,235,699	3.34%	23,322,251	14.86%	156,896,572

**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)
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%
2022	154,563,220	154,563,220	6.04%	151,089,530	151,089,530	3.22%

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>								
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%	1,396,986	14,288,839	99.73%	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%
2022	16,541,442	14,949,637	90.38%	1,538,992	16,488,629	99.68%	9,509,133	57.49%

(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>					
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
2022	2023	1,506,327,210	4,303,792,029	147,805,530	380,155,235

Source: County Auditor; Montgomery County, Ohio

N/A - Information not available

Assessed value	Total		Percent of total assessed to total estimated actual value
	Total direct tax rate	Estimated actual value	
\$ 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%
1,654,132,740	10.00	4,683,947,264	35.31%

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>					
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
2022	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	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
10.00	80.55	23.14	3.04

CITY OF DAYTON, OHIO

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

Taxpayer	Fiscal Year 2022			Fiscal Year 2012		
	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	\$ 107,569,420	1	6.50%	\$ 81,743,360	1	5.29%
Vectren Energy Delivery	39,160,980	2	2.37%	11,610,290	2	0.75%
Caresource	8,902,730	3	0.54%			
Premier Health Partners (1)	7,261,370	4	0.44%	4,664,700	8	0.30%
GLP Capital LP	7,445,140	5	0.45%			
Dayton Hotel II LLC	5,255,550	6	0.32%			
KND Real Estate 29 LLC	4,627,670	7	0.28%	7,605,180	3	0.49%
Norwood Medical LLC	4,616,650	8	0.28%			
LW Dayton V LLC	4,585,010	9	0.28%			
Dayton Phoenix Group	4,311,190	10	0.26%			
Marriott International				5,238,110	5	0.34%
DUCRU SPE LLC				4,734,550	7	0.31%
Titan Loan Investment Fund LP				5,007,490	6	0.32%
Cloud Park Apartment				3,845,320	10	0.25%
River Park DEV LLC				6,069,250	4	0.39%
Tower Partners LLC				4,524,370	9	0.29%
Total	\$ 193,735,710		11.72%	\$ 135,042,620		8.73%

(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>
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%
2022	6,613,808	5,092,178	76.99%	1,389,813	6,481,991	96.01%

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

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

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

Source: County Auditor; Montgomery County, Ohio

CITY OF DAYTON, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities								
Fiscal Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Ohio Department of Development Loan	Lease Obligations	OPWC Loans	SIB Loans	SIB Bonds
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
2022	59,410,186	21,340,569	-	894,563	5,321,462	1,528,057	1,950,976	2,565,000

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 2017-2022 is not available.

Business-Type Activities

General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	Lease Obligations	JOBS Ohio Loan	Total Primary Government	Personal Income (1)	Percentage of Personal Income	Per Capita
\$ 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	n/a	n/a	1,730
27,868,763	141,872,516	15,213,122	-	-	4,025,799	281,991,013	n/a	n/a	2,049

CITY OF DAYTON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Value (2)	\$ 1,545,990,210	\$ 1,420,769,660	\$ 1,419,103,270	\$ 1,422,658,280
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	162,328,972	149,180,814	149,005,843	149,379,119
Total Voted and Unvoted Debt Outstanding	157,522,164	159,621,062	201,500,505	241,115,601
Less: Exempt Debt				
Airport General Obligation Bonds and Notes	(9,375,000)	(8,990,000)	(10,016,545)	(9,404,368)
Airport Revenue Bonds (1)	(32,090,000)	(30,232,678)	(52,051,403)	(80,822,459)
Water Revenue Bonds (1)	-	-	(15,720,663)	(15,133,998)
Sewer Revenue Bonds (1)	-	-	(16,428,679)	(15,815,607)
Water General Obligation Bonds (3)	(14,520,000)	(13,630,000)	(12,705,000)	(17,640,000)
Sewer General Obligation Bonds (3)	(14,805,000)	(13,905,000)	(12,970,000)	(11,980,000)
Storm Water General Obligation Bonds (3)	-	-	-	-
Special Assessment Bonds and Notes	(23,200)	-	-	-
Economic Development Bonds	(30,305,000)	(28,285,000)	(26,200,000)	(24,055,000)
Total Exempt Debt	<u>(101,118,200)</u>	<u>(95,042,678)</u>	<u>(146,092,290)</u>	<u>(174,851,432)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	56,403,964	64,578,384	55,408,215	66,264,169
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(10,184,042)</u>	<u>(10,965,590)</u>	<u>(12,580,136)</u>	<u>(14,255,750)</u>
Net Debt Within 10.5% Limitation	<u>46,219,922</u>	<u>53,612,794</u>	<u>42,828,079</u>	<u>52,008,419</u>
Overall Debt Margin Within 10.5% Limitations	<u>\$ 116,109,050</u>	<u>\$ 95,568,020</u>	<u>\$ 106,177,764</u>	<u>\$ 97,370,700</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 85,029,462	\$ 78,142,331	\$ 78,050,680	\$ 78,246,205
Debt Within 5.5% Limitations	56,403,964	64,578,384	55,408,215	66,264,169
Less Amount Available in Debt Service Fund	(10,184,042)	(10,965,590)	(12,580,136)	(14,255,750)
Net Debt Within 5.5% Limitation	<u>46,219,922</u>	<u>53,612,794</u>	<u>42,828,079</u>	<u>52,008,419</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 38,809,540</u>	<u>\$ 24,529,537</u>	<u>\$ 35,222,601</u>	<u>\$ 26,237,786</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,432,805,280	\$ 1,439,720,000	\$ 1,469,630,470	\$ 1,611,392,880	\$ 1,624,368,460	\$ 1,654,132,740
150,444,554	151,170,600	154,311,199	169,196,252	170,558,688	173,683,938
226,096,070	240,847,212	224,868,162	247,978,894	238,072,164	281,991,013
(8,782,191)	(8,135,014)	(7,497,837)	(6,855,660)	(6,198,483)	(5,516,307)
(79,361,332)	(77,650,932)	(72,484,469)	(69,348,476)	(66,092,480)	(62,731,485)
(14,542,333)	(31,139,407)	(29,928,391)	(28,652,375)	(27,336,359)	(50,659,000)
(15,197,536)	(14,554,464)	(13,886,392)	(31,179,460)	(29,865,746)	(28,482,031)
(16,655,000)	(15,640,000)	(14,590,000)	(13,564,750)	(12,555,683)	(11,736,616)
(11,260,000)	(10,515,000)	(9,735,000)	(9,358,515)	(8,544,678)	(7,915,840)
-	-	-	(3,000,000)	(2,855,000)	(2,700,000)
-	-	-	-	-	-
<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>(21,230,000)</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>	<u>(190,971,279)</u>
58,452,678	59,967,395	56,011,073	66,814,658	67,393,735	91,019,734
<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>	<u>(28,027,356)</u>
43,473,787	45,484,649	31,150,855	41,595,699	41,108,966	62,992,378
<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>	<u>\$ 110,691,560</u>
\$ 78,804,290	\$ 79,184,600	\$ 80,829,676	\$ 88,626,608	\$ 89,340,265	\$ 90,977,301
58,452,678	59,967,395	56,011,073	66,814,658	67,393,735	91,019,734
(14,978,891)	(14,482,746)	(24,860,218)	(25,218,959)	(26,284,769)	(28,027,356)
43,473,787	45,484,649	31,150,855	41,595,699	41,108,966	62,992,378
<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>	<u>\$ 27,984,923</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>
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
2022	137,644	1,654,132,740	87,278,949	36,332,356	50,946,593	3.08%	370

(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>
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%
2022	7,014,197	2,469,822	285,846	9,769,865	252,515,532	3.87%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2022**

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, 2022.

Political subdivision of State of Ohio	2022 Debt Outstanding (1)	Percentage applicable to Dayton	Amount applicable to Dayton
Direct			
City of Dayton	\$ 87,689,351	100.00%	\$ 87,689,351
Total Direct Debt	<u>87,689,351</u>		<u>87,689,351</u>
Overlapping			
Dayton Metro Library District	124,489,986	19.25%	23,964,322
Dayton City School District	88,655,000	84.78%	75,161,709
Miami Valley Career Center	119,886,095	2.16%	2,589,540
Vandalia Butler City School District	37,962,886	2.60%	987,035
Mad River Local School District	2,150,000	23.28%	500,520
Huber Heights City School District	57,225,000	10.94%	6,260,415
Trotwood-Madison City School District	17,415,000	3.72%	647,838
Fairborn City School District	91,131,391	3.40%	3,098,467
Northridge Local School District	11,675,000	32.09%	3,746,508
Greene County Career Center	48,675,000	0.52%	253,110
Total Overlapping Debt	<u>599,265,358</u>		<u>117,209,464</u>
Total Direct and Overlapping Debt	<u>\$ 686,954,709</u>		<u>\$ 204,898,815</u>

(1) Excludes Enterprise Debt and Lease Obligations

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	
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
2022	11,268,324	1,044,725	33,185	1,077,910	10.45

(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 SEVEN 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
2022	21,688,661	1,280,000	1,026,288	2,306,288	9.40

(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 SEVEN 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
2022	13,536,787	1,270,000	996,612	2,266,612	5.97

(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	
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
2022	10,531,315	3,220,000	2,759,637	5,979,637	1.76

(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.

(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>
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
2022	56 (+/-)	584,487	7,299

<u>Year</u>	<u>Active Gas Meters (3)</u>	<u>Vehicle Registrations (4)</u>
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
2022	60,676	114,834

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
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
2022	56.7

Source: Division of Planning City of Dayton

CITY OF DAYTON, OHIO

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

Employer	Fiscal Year 2022			Fiscal Year 2013		
	Employees	Rank	Percentage of Total Dayton Labor Force	Employees	Rank	Percentage of Total Dayton Labor Force
Kettering Health Network (2)	13,390	1	22.97%	7,000	2	25.03%
Premier Health Partners (1)	11,344	2	19.46%	14,765	1	11.86%
Montgomery County	4,352	3	7.46%	3,884	3	6.58%
Childrens Medical Hospital	3,904	4	6.70%	1,517	9	4.43%
CareSource	3,000	5	5.15%	1,200	10	3.89%
University of Dayton	3,100	6	5.32%	2,297	5	3.53%
Dayton Public Schools	2,237	7	3.84%	2,085	6	2.03%
Sinclair Community College	2,406	8	4.13%	2,613	4	3.39%
Veterans Administration	2,300	9	3.95%	2,002	7	3.24%
City of Dayton	1,821	10	3.12%	2,000	8	2.57%
Total	47,854		82.08%	39,363		66.55%

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
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%
2022	251,600	3.60%	58,300	4.40%	5,850,800	3.40%	3.70%

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
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%	7,245,167,228	41,618	65.14%	56,483	88.41%	63,887
2022	55,572	85.13%	7,649,152,368	54,822	83.98%	57,880	88.66%	65,280

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	2013	2014	2015	2016
Total	376.4	372.0	379.1	384.5
Goods-Producing Industries	52.7	50.7	52.0	53.6
Natural Resources, Mining and Construction	11.4	11.7	12.0	12.4
Manufacturing	41.3	39.0	40.0	41.2
Service-Providing Industries	323.7	321.3	327.1	330.9
Trade, Transportation, and Utilities	64.9	64.4	65.8	65.3
Information	8.7	8.5	8.4	8.5
Financial Activities	17.3	17.3	17.6	17.9
Professional and Business Services	47.5	48.6	50.1	51.0
Educational and Health Services	69.8	70.2	71.0	72.5
Leisure and Hospitality	36.9	37.2	37.8	38.8
Other Services	15.1	14.0	13.8	14.0
Government	63.5	61.1	62.6	62.9

(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

2017	2018	2019	2020	2021	2022	Percentage of Total 2022 employment
389.0	390.0	395.4	373.7	381.3	383.3	n/a
54.7	56.1	57.8	54.6	54.9	56.1	14.6%
12.6	13.1	13.5	13.8	14.2	14.4	3.8%
42.1	43.0	44.3	40.8	40.7	41.7	10.9%
334.3	333.9	337.6	319.1	326.4	327.2	85.4%
65.5	66.3	66.6	67.2	67.3	66.9	17.5%
8.3	8.2	7.5	6.8	6.6	6.8	1.8%
18.1	18.1	18.2	17.8	17.4	16.4	4.3%
50.8	52.4	51.5	49.8	52.7	52.4	13.7%
74.4	74.1	77.9	72.1	69.6	71.8	18.7%
40.3	39.1	39.2	32.9	38.3	38.2	10.0%
14.4	13.8	13.9	12.7	13.3	13.8	3.6%
62.5	61.9	62.8	59.8	61.2	60.9	15.9%

CITY OF DAYTON, OHIO

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Downtown	15	15	15	17	18	18	11	4	1	1
Youth, education and human services	1	1	-	1	1	1	1	1	1	1
Community development and neighbors	130	128	141	126	132	128	122	104	116	129
Economic development	30	32	7	33	40	31	28	30	23	27
Leadership and quality of life	171	303	214	147	141	144	138	122	233	253
Corporate responsibility	137	133	169	136	135	137	143	157	155	161
Public safety and justice	868	864	838	826	849	856	865	842	843	842
Business-type activities:										
Dayton International Airport	140	144	143	141	138	136	125	91	92	82
Water	232	164	246	373	375	375	355	316	193	196
Sewer	113	70	119	97	100	100	133	125	116	113
Golf (1)	14	14	14	12	12	13	11	4	-	-
Storm Sewer	83	66	41	36	39	33	31	27	51	50
Total Full-Time Equivalent (FTE)	1,934	1,934	1,947	1,945	1,980	1,972	1,963	1,823	1,824	1,855

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>
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
2022	11,770	10,798	30,500	53,068	11,645

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, 2022**

<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)
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
2022	743	329,046,238

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 2013</u>
2013	44	\$ 3,459,005	\$ 78,614	-11.03%	0.00%
2014	7	629,989	89,998	14.48%	14.48%
2015	63	8,518,038	135,674	50.75%	72.58%
2016	37	4,280,000	115,676	-14.74%	47.14%
2017	4	445,000	111,250	-3.83%	41.51%
2018	7	1,560,000	222,857	100.32%	183.48%
2019	1	230,000	230,000	3.21%	192.57%
2020	4	532,000	133,000	-42.17%	69.18%
2021	14	4,203,108	300,222	125.73%	281.90%
2022	32	4,698,538	146,829	-51.09%	86.77%

Source: Census Bureau

CITY OF DAYTON, OHIO

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Service										
Highways and Streets										
Streets (miles)	1,718	1,718	1,719	1,719	1,719	1,719	1,719	1,408	1,408	1,365
Streetlights	20,427	19,720	19,720	19,976	19,976	19,976	19,976	19,976	19,976	5,349
Traffic Signals	314	320	316	316	319	319	319	319	314	314
Computerized Signals	314	320	316	316	319	319	319	319	314	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	7	7	3	3	5	5	3
Number of Employees	409	405	410	397	419	417	419	418	421	401
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	314	318	327	318	322	320	325	316	316	325
City Fleet (public safety)										
Fire	84	88	91	88	97	90	92	97	92	92
Police	304	289	291	290	271	246	246	280	273	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	39	25	19	37	35	35	35	35
Total Facilities *	181	170	162	187	129	102	100	112	106	109
Parks	60	60	60	63	63	37	35	46	44	44
Swimming Pools	4	4	4	4	4	4	4	3	3	3
Tennis Courts	63	50	41	41	9	9	9	9	9	13
Community Centers	3	3	3	-	-	-	-	3	3	-
Athletic Complexes	2	2	2	2	3	3	3	5	5	3
Specialized Facilities	1	1	1	1	1	1	1	-	-	-
Shelter Houses	37	36	37	62	35	34	35	35	35	35
Golf Courses	3	3	3	3	3	3	3	1	1	1
Spray Park Facilities	7	7	7	7	7	7	6	6	6	6
Recreation Centers	-	3	3	3	3	3	3	3	3	3
Cultural Centers	1	1	1	1	1	1	1	1	-	-
Water										
Water Mains (miles)	807.03	807.03	807.26	847.65	852.51	852.51	857.47	859.81	859.81	859.81
Maximum Daily Capacity (millions of gallons)	41.00	42.00	43.20	43.20	43.20	43.20	38.80	39.80	39.80	39.80
Sewer										
Sanitary Sewers (miles)	603.40	603.40	730.00	730.00	740.46	740.60	739.98	721.67	721.67	721.67
Storm Sewers (miles)	403.67	403.67	576.60	576.60	576.89	576.89	576.94	577.74	577.74	577.74
Maximum Daily Capacity (millions of gallons)	28.69	28.33	28.33	28.33	28.33	28.33	28.00	28.00	28.00	26.10

Source: Various Departments, City of Dayton

* 2013-2016 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, 2022

Kena L. Brown	Finance Director
Saleh Asumani	Fixed Asset Specialist
Jeffrey Marshall	Senior Financial Analyst
Jennifer Hill	Financial Analyst I
Shelley Dickstein	City Manager
C. LaShea Lofton	Deputy City Manager
Joseph Parlette	Deputy City Manager

Appreciation is extended to our consultant, Julian and Grube, Inc. for their assistance on this project.




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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