

**CITY OF DAYTON
MONTGOMERY COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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City Commissioners
City of Dayton
101 W. Third St.
Dayton, OH 45401

We have reviewed the *Independent Auditor's Report* of the City of Dayton, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 01, 2024

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**CITY OF DAYTON
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CITY OF DAYTON
MONTGOMERY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF COMMERCE				
<i>Direct Program</i>				
Economic Development Cluster:				
Economic Adjustment Assistance	11.307	N/A	\$ -	\$ 249,518
Subtotal Economic Development Cluster			0	249,518
Total U.S. Department of Commerce			0	249,518
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Program</i>				
CDBG Entitlement Grants Cluster:				
Community Development Block Grants / Entitlement Grants	14.218	N/A	1,094,254	7,187,741
Subtotal CDBG - Entitlement Grants Cluster			1,094,254	7,187,741
Emergency Solutions Grant Program	14.231	N/A	1,008,500	1,058,950
Home Investment Partnerships Program	14.239	N/A	0	96,285
Continuum of Care Program	14.267	N/A	734,387	734,387
Fair Housing Assistance Program	14.401	N/A	0	92,899
Economic Development Initiative, Community Project Funding, and Miscellaneous grants	14.251	N/A	2,875,507	2,875,507
Total U.S. Department of Housing and Urban Development			5,712,648	12,045,769
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Program</i>				
Crime Victim Assistance	16.575	N/A	0	44,780
Public Safety Partnership and Community Policing Grants	16.710	N/A	0	62,500
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	269,257
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	N/A	0	287,228
Equitable Sharing Program	16.922	N/A	0	315,156
Comprehensive Forensic DNA Analysis Grant Program	16.036	N/A	0	72,468
Total U.S. Department of Justice			0	1,051,389
U.S. DEPARTMENT OF STATE				
<i>Direct Program</i>				
AEECA/ESF PD Programs	19.900	N/A	0	108,729
Total U.S. Department of State			0	108,729
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct Program</i>				
Airport Improvement Program	20.106	N/A	0	10,546,335
COVID-19 Airport Improvement Program	20.106	N/A	0	4,878,805
Subtotal Airport Improvement Program			0	15,425,140
<i>Passed through Ohio Department of Public Safety</i>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2023-Dayton Police Dept.-00022	0	6,725
Highway Safety Cluster:				
State and Community Highway Safety	20.600	IDEP/STEP-2022-Dayton Police Dept.-00033	0	15,008
Subtotal State and Community Highway Safety			0	15,008
National Priority Safety Programs	20.616	OVI-2023 Dayton Police Dept 00009	0	123,804
Subtotal National Priority Safety Programs			0	123,804
Subtotal Highway Safety Cluster			0	138,812

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
<i>Passed through Ohio Department of Transportation</i>				
Highway Planning and Construction	20.205	PID#97905	0	46,812
Highway Planning and Construction	20.205	PID#103178	0	43,004
Highway Planning and Construction	20.205	PID#106120	0	47,388
Highway Planning and Construction	20.205	PID#106121	0	892,540
Highway Planning and Construction	20.205	PID#106126	0	246,963
Highway Planning and Construction	20.205	PID#108351	0	4,573
Highway Planning and Construction	20.205	PID#108352	0	340,313
Highway Planning and Construction	20.205	PID#108376	0	1,669,792
Highway Planning and Construction	20.205	PID#112662	0	225,000
Highway Planning and Construction	20.205	PID#113468	0	11,079
Highway Planning and Construction	20.205	PID#114813	0	112,797
Highway Planning and Construction	20.205	PID#116957	0	315,900
Subtotal Highway Planning and Construction			0	3,956,161
Total U.S. Department of Transportation			0	19,526,838
U.S. DEPARTMENT OF THE TREASURY				
<i>Direct Program</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	36,598,160
<i>Passed through the Ohio Department of Public Safety</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	2,070,331
<i>Passed through the Ohio Emergency Management Agency</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	2,299,232
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			0	40,967,723
Total U.S. Department of the Treasury			0	40,967,723
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Direct Program</i>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	0	176
<i>Passed Through Ohio Environmental Protection Agency</i>				
Drinking Water State Revolving Fund (DWSRF) Cluster				
Drinking Water State Revolving Fund	66.468	Ohio EPA ID# 9679	0	83,000
Drinking Water State Revolving Fund	66.468	Ohio EPA ID# 9812	0	74,637
Drinking Water State Revolving Fund	66.468	Ohio EPA ID# 9677	0	156,045
Subtotal Drinking Water State Revolving Fund (DWSRF) Cluster			0	313,682
Total U.S. Environmental Protection Agency			0	313,858
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct Program</i>				
Assistance to Firefighters Grant	97.044	N/A	0	38,746
Emergency Management Performance Grants	97.071	N/A	0	113,984
Total U.S. Department of Homeland Security			0	152,730
Total Expenditures of Federal Awards			\$5,712,648	\$74,416,554

The accompanying notes are an integral part of this schedule.

**CITY OF DAYTON
MONTGOMERY COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of City of Dayton, Ohio (the City) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City's Operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE E - MATCHING REQUIREMENTS

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

City of Dayton, Ohio
James M. Cox Dayton International Airport (DAY)
Schedule of Passenger Facility Charges
For the Year Ended December 31, 2023

Collections:	Approved Project Budget	Cumulative Total thru 2022	2023 1st Qtr.	2023 2nd Qtr.	2023 3rd Qtr.	2023 4th Qtr.	Cumulative Total thru 2023
Passenger Facility Charge Collections		\$ 116,370,170	\$ 506,348	\$ 602,405	\$ 629,015	\$ 664,467	\$ 118,772,405
Interest Earned, Net of Fees		5,064,013				323,918	5,387,931
Total Passenger Facility Charge Collections Received		<u>\$ 121,434,183</u>	<u>\$ 506,348</u>	<u>\$ 602,405</u>	<u>\$ 629,015</u>	<u>\$ 988,385</u>	<u>\$ 124,160,336</u>

Expenditures:

Application/Project	Approved Project Budget	Cumulative Total thru 2022	2023 1st Qtr.	2023 2nd Qtr.	2023 3rd Qtr.	2023 4th Qtr.	Cumulative Total thru 2023
94-02-C-05-DAY & 96-03-U-02-DAY	\$ 28,098,728	\$ 28,098,728					\$ 28,098,728
01-04 ARFF station renovation and expansion	1,619,192	1,619,192					1,619,192
01-04 ARFF vehicle replacement (Rescue 22)	807,614	783,334					783,334
01-04 Airfield Snow Removal Equipment	2,017,065	2,278,789					2,278,789
01-04 Airport police office renovation	265,894	265,894					265,894
01-04 Back-up generator - airfield	1,202,814	1,202,813					1,202,813
01-04 Back-up generator - terminal	1,202,814	1,202,813					1,202,813
01-04 Cargo and terminal aircraft apron rehabilitation	300,217	295,395					295,395
01-04 Deicing system improvements	911,850	915,824					915,824
01-04 Environmental Impacy Study	378,965	378,965					378,965
01-04 CALCS and GIS implementation	44,480	44,480					44,480
01-04 Land acquisition - approach and runway protection	408,394	408,349					408,349
01-04 Land acquisition and apprch protection for RW 20 at MGY	-	-					-
01-04 Pt. 150 noise study, phases 1, 2, and final	570,685	624,890					624,890
01-04 Runway 2/20 and other pavement rehabilitation at DWBA	144,449	144,449					144,449
01-04 Runway pavement reahabilitation	989,868	989,868					989,868
01-04 SW terminal apron, NE deice apron/perimeter roac	1,723,528	1,723,528					1,723,528
01-04 Taxiways A and Z rehabilitation	49,351	44,241					44,241
01-04 Taxiways H, K, E, C, L, and V rehabilitation	311,968	351,719					351,719
01-04 Terminal Drive & related roads rehabilitation	3,725,623	4,754,228					4,754,228
01-04 Terminal gate expansion	19,191,396	19,160,479					19,160,479
01-04 Financing and Interest Costs	10,106,687	10,439,580		71,862		65,963	10,577,405
05-05 In-line baggage make-up facility.	11,325,432	11,787,497					11,787,497
05-05 Terminal environmental restoration.	8,797,981	8,797,981					8,797,981
05-05 Financing and Interest Costs	7,755,763	6,011,536		82,552		75,775	6,169,863
09-06-C-01-DAY	2,616,158	2,616,158					2,616,158
12-07-C-01-DAY	7,311,845	7,311,845					7,311,845
15-08 Airport terminal renovations, phase II.	26,951,670	7,084,481		595,446		581,408	8,261,335
15-08 PFC administration costs.	100,000	48,404					48,404
Total Passenger Facility Charge Collections Expended	<u>\$ 138,930,431</u>	<u>\$ 119,385,460</u>	<u>\$ -</u>	<u>\$ 749,860</u>	<u>\$ -</u>	<u>\$ 723,146</u>	<u>\$ 120,858,466</u>

See accompanying notes to the Schedule of Passenger Facility Charges.

**CITY OF DAYTON
MONTGOMERY COUNTY
NOTES TO THE SCHEDULE OF
PASSENGER FACILITIES CHARGES
14 CFR 158
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges (the Schedule) includes the passenger facility charges activity for the City of Dayton (the City) under the federal government's programs for the year ended December 31, 2023. The information in this Schedule is prepared in accordance with the requirements of Title 14 U.S. Code of Federal Regulations Part 158, *Passenger Facility Charges*. Because the Schedule presents only a selected portion of the City's operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dayton, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 31, 2024. We noted the City adopted new accounting guidance in Government Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

July 31, 2024

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Dayton, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated July 31, 2024, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures to the audited financial statements subsequent to July 31, 2024. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
September 12, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND ON THE SCHEDULE OF PASSENGER FACILITY CHARGES
REQUIRED BY THE GUIDE**

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

Report on Compliance

Opinion

We have audited the City of Dayton, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the Passenger Facility Charge Audit Guide for Public Agencies (Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its Passenger Facility Charge Program for the year ended December 31, 2023.

In our opinion, the City of Dayton complied, in all material respects, with the types of compliance requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Guide. Our responsibility under those standards and the Guide are further described in the Auditor's Responsibilities for Audit of Compliance section of the report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the Passenger Facility Charge Program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, Government Auditing Standards, and the Passenger Facility Charge Audit Guide for Public Agencies will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Passenger Facility Charge Program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated July 31, 2024, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96 Subscription-Based Information Technology Arrangements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of passenger facility charges is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information 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 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 schedule of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Dayton, Ohio
July 31, 2024

**CITY OF DAYTON, OHIO
SCHEDULE OF FINDINGS
2 CFR § 200.515
Year Ended December 31, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Economic Development Initiative, Community Project Funding, and Miscellaneous Grants AL # 14.251
COVID-19 Coronavirus State and Local Fiscal Recovery Funds AL # 21.027

Dollar threshold used to distinguish between Type A and Type B Programs \$2,232,497

Auditee qualified as low-risk auditee? No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
Year Ended December 31, 2023**

Finding 2022-001:

Material Weakness-Controls Related to Financial Reporting

Condition: Adjustments to financial statements were required to correct unearned revenue, operating grants, intergovernmental revenue, net position, fund balance, transfers in, and transfers out.

Recommendation: We recommend the City design and implement additional procedures to improve financial reporting.

Current Status: Corrected.

Finding 2022-002:

COVID 19 Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027; Direct Award from U.S. Department of Treasury.

Condition: The total expenditures on Schedule of Expenditures of Federal Awards (SEFA) was misstated.

Recommendation: We recommend review of current practices and implement policies establishing monitoring procedures related to preparation of the SEFA.

Current Status: Corrected.



City of Dayton, OH
Annual Comprehensive Financial Report
Fiscal Year Ended December 31, 2023





2023 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



City of Dayton, Ohio

Annual Comprehensive Financial Report

January 1, 2023 – December 31, 2023

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.





Introduction

CITY OF DAYTON, OHIO

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CITY OF DAYTON, OHIO

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CITY OF DAYTON, OHIO

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Department of Finance | Director's Office

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July 31, 2024

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, 2023.

State law requires that every local government publish a complete set of financial statements within five months of the close of each fiscal year. Also, the City's Charter (Sections 44 and 78) prescribes required accounting, audit, and examination procedures for the City of Dayton. The 2023 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 the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

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

The City has included all of the funds for which it is financially accountable in the annual report. The City is associated with 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 (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 is also a complement to the required Management's Discussion and Analysis (MD&A). The City's MD&A, which focuses on the government-wide statements, can be found immediately following the independent auditor's report.

PROFILE OF THE CITY OF DAYTON

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

Situated in southwestern Ohio, Dayton is the county seat and the largest city in Montgomery County. As of July 1, 2023, the U.S. Census Bureau reflects an estimated Dayton population as 135,512. The 2023 Census Quick Facts reflects the City's population is comprised of 51.9% White, 38.0% Black, 5.2% Hispanic or Latino, 1.3% Asian, 0.4% American Indian or Alaska Native. The Owner-occupied housing rate is 48.4%, and the median household income in 2022 dollars is \$41,443, according to the 2023 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 is composed of five members – a Mayor and four Commissioners. Each member is elected at-large on a non-partisan basis for four-year overlapping terms. All policy matters are directed by the City Commission, which is empowered by the City Charter to pass ordinances and resolutions, adopt regulations, and appoint the City Manager. The City Manager then is charged with ensuring the Commission's priorities and policies are executed effectively and efficiently by managing the day-to-day operations and providing leadership to the administrative staff who provides City services.

The City provides a full range of basic governmental services that include police, fire and emergency medical, street, alley, bridge, and park maintenance, waste collection services, recreation 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 2023 was 1,830 (full-time and part-time equivalent) employees.

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

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

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

certified by the County Budget Commission in accordance with the Ohio Revised Code. In 2023, the City's total original operating budget was \$924,582,000.00, and the final revised operating budget was \$1,002,340,400.00. A large majority of the increase was related to transfers out for ARPA Revenue Loss and increased expenses including investments in capital improvements.

The City maintains financial stability by continuing its well-documented reputation of sound financial management and leadership and strict adherence to key financial policies. One such policy is the City's long-standing General Fund Cash Reserve policy to maintain cash reserve levels equal to six to ten weeks of operating expenses. At the end of 2023, the General Fund cash reserve was \$49.6 million or \$12.4 million over the minimum level of 8.7 weeks of operating funds.

Another significant financial policy is the City's Investment Policy. This policy allows the City to be more flexible and take advantage of market conditions to maximize the City's return on investment and protecting principle. In 2023, investment earnings increased significantly due to an increase in interest rates. The City earned nearly \$10.8 million from its leading investment portfolio, representing a 236.10% increase from 2022.

A well-managed and stable community's financial credibility is also validated by external entities. For the Fiscal Year 2023, Moody's Investors Service (Moody's) maintained Dayton's general obligation bond credit rating at Aa2 and our non-tax revenue debt rating at Aa3. Standard & Poor's (S&P) affirmed Dayton's general obligation bond and non-tax revenue debt credit ratings at AA. Moody's and S&P also retained their ratings of Aa2 and AA-, respectively, on both the water system revenue bonds and sewer system revenue bonds issued by Dayton. 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. As a means of providing incentives and promoting economic and community development, the City of Dayton may use tax incentives through a combination of Tax Increment Financing (TIF), Community Reinvestment Area (CRA), and Enterprise Zone financing, strategies, and agreements.

The City uses TIF, authorized by the Ohio Revised Code (ORC) Chapter 5709, as a tool to support development in the City. The TIF is a public financing tool available to local Ohio governments to finance public infrastructure improvements supporting commercial development and residential rehabilitation in certain circumstances. TIFs are often used to support financing to close project funding gaps, without which the project would not be able to move forward. Successful projects have included the Schuster Performance Center on Main Street, the Tech Town campus in the growing Webster Station neighborhood, and the G.E. Aviation Epicenter at the University of Dayton. Some of the TIFs authorized by the City are Non-School TIFs, which ensure the Dayton Public School District receives its share of the tax revenues generated by the development. This means the school district will continue to receive the amount of property taxes that would have been payable to the school district if the local government enacted no TIF exemption. Any TIFs created where the exemption affects the property tax revenue to a local school district require a compensation agreement negotiated with and approved by the School Board where the TIF area is located. TIF and School Board TIF projects in City TIF areas have resulted in hundreds of jobs and approximately \$300 million of capital investment since 2001.

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

The CRA is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new residential buildings to encourage the revitalization of the current housing stock and the development of new structures. This program permits municipalities or counties to designate areas where housing investment has been discouraged. Under the CRA program, local governments petition the Ohio Development Services Agency (ODSA) for confirmation of a geographical location in which investment in housing is desired. Property owners in the geographical areas can apply to the local legislative authority for approval to renovate or construct. Upon approval and completion of certification, the abatement amount is deducted from the individual or entity's property tax bill. The 2023 City of Dayton CRA Annual Report listed 192 residential and 29 commercial projects previously approved to benefit from real property exemption. The current value of all residential properties in the CRA was \$194,315,872.00. There were 59 residential properties removed from the CRA program as their exemption terms matured.

The Enterprise Zone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. It is authorized in ORC Sections 5709.62 and 5709.63. An Enterprise Zone is a designated land area where businesses can receive tax incentives through tax exemptions on qualifying new investments. An Enterprise Zone's geographic location is identified by the local government creating the zone. The local government must petition the ODSA to certify the area to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement with the business, which may include tax sharing with the Board of Education. The City has entered agreements to abate through these programs. The City currently has seven active Enterprise Zone Agreements and has experienced a \$170 million total investment from businesses that pledged to invest \$35.6 million. Employment in 2023 was 1,559 full-time equivalent positions, which includes created and retained jobs.

LOCAL ECONOMY AND INVESTMENT

The City of Dayton has continued to deal with the effects of the COVID-19 pandemic. One focus was ensuring we remained transparent and engaged with the community, City Commissioners, and leaders within the City Departments to mitigate fiscal uncertainty and eliminate any negative impact in providing the quality services we deliver to our residents. In return, the 2023 budget represented a year of reinvestment in our neighborhoods, services and infrastructure.

In 2023, Revenues performed better than anticipated, resulting in the General Fund recognizing \$7.5 million in excess of Sources over Uses. The City's income tax revenues declined slightly overall by .8% or \$1.3M vs. 2022. Withholdings represented a 4.1% increase or \$5.4 million vs. 2022, offset by a decline of 34.4% or \$8 million in Business profits. After recognizing unprecedented growth in 2021 and 2022, Business Profits have stabilized and are in line with pre-pandemic levels. The impact from work from home policies continue to be slower than expected, however, 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 growth of new restaurant and retail options, and expansion in businesses offering tech, creative and professional services. Several major developments were either initiated or completed. Examples include:

- ✓ **Dayton Children’s Hospital (1 Children’s Plaza)** - Dayton Children’s Hospital completed construction of an Outpatient Care Center. The five story 152,000-square-foot facility provides imaging and pharmacy services, integrated orthopedic, sports medicine services, and ambulatory care services. The \$78 million project expands on outpatient and ambulatory services geared toward children’s health.
- ✓ **Premier Health Primary Care – University of Dayton** - The innovative partnership between Premier and UD saw the creation of a \$17 million physical and wellness facility in Southeast Dayton that provides convenient access to the adjacent community, as well as UD staff, and students for a broad range of care options.
- ✓ **AC Hotel by Marriott** - Opened in 2023 increasing the city’s lodging capacity by 134 rooms, rooftop bar and full-service restaurant. This \$33 million project advanced the community’s desire to attract and accommodate visitors to Dayton and the region. New tourism opportunities are presented, expanding hotel accommodation options will become more and more necessary.
- ✓ **The Monument/The Sutton/The Flight Dayton Apartments-** . The 2023 opening of the Monument Apartments (140 E. Monument). The Sutton Apartments (307 E. 1st Street) and The Flight Dayton Apartments (605 Alberta Street) has yielded over \$70 million of investment and led to 340 new apartments coming online in Downtown and Southeast Dayton.
- ✓ The **Dayton Arcade** project continued to make progress during the fourth quarter of 2023 with the opening of the new Italian restaurant Est! Est!! Est!!!. Work is also underway on the 94-room Hilton Garden Inn, as well as boutique retail suites and a pedestrian connector in the North Arcade. Also, the **6888 Kitchen**, a food/restaurant industry incubator and education center made final preparations for its opening that occurred in early 2024. The Arcade developers also earned nearly \$13.9 million in credits from the Ohio’s Transformational Mixed-Use Development program which will contribute to finishing the Arcade renovation and convert the Centre City building into apartments, office and retail space.
- ✓ In **Oregon East**, construction continued on a new housing development and began accepting tenants for pre-leasing late in the year.
- ✓ Construction continued on the **Dayton Convention Center’s** \$40 million renovation project, including enhancements and updates to the building’s interior and exterior.
- ✓ **Sinclair College** announced it will start a new project in hopes of advancing its defense-focused programs. The \$19 million Sinclair College Advanced Air Mobility Aircraft Acquisition Initiative will expand Sinclair’s Unmanned Aerial System to include aircraft over 55 pounds as well as Advanced Air Mobility systems.
- ✓ Technology related business grew with the downtown. **The Great Lakes Mission Acceleration Center**, opened in the Hub at the Dayton Arcade as a meeting place for defense specialist from around the region to work on Department of Defense technology problems in order to expedite solutions. **Infinity Labs**, announced it would expand its footprint in the city.

Downtown continued to see its business community grow. Overall, 41 new businesses opened in 2023, including 28 new first floor businesses. In total, more than \$200 million worth of projects were completed downtown in 2023 with another \$435 million in projects under construction. According to *data from the Downtown Dayton Partnership's 2023 year-end report*:

- ✓ 196 housing units were added in Dayton's downtown urban core
- ✓ 519 units were under construction
- ✓ 103 new downtown housing units were still in the pipeline

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** is committed to growing the variety of passenger services desired by travelers while continuing to focus on economic activity that creates jobs. In September 2023, United Airlines began to provide direct services from Dayton to Denver, restoring a route that was cut in early 2022. This service to the Mile High City provides a new opportunity for Dayton travelers to connect to dozens of destinations in the West and beyond. Sierra Nevada Corporation announced its second development at the airport, following the completion of its initial state-of-the-art aircraft maintenance hangar. The company plans an additional 90,000 sq. ft. hangar employing more skilled technicians and an additional 11,000 sq. ft. of administrative space. Sierra Nevada's clients include branches of the United States military as well as commercial organizations. Joby Aviation announced plans to locate its first aircraft production facility in Dayton. Joby Aviation is a California based transportation company developing an all-electric, vertical take-off and landing air taxi. With 140 acres at the airport, Joby will be able to deliver up to 500 aircraft per year and support up to 2,000 local jobs.

COMMUNITY DEVELOPMENT AND INITIATIVES

Focusing on a year of growth and continued investment resulted in new small businesses opening along neighborhood corridors and an increase in residential development. Examples include:

Premier Health (Northwest) YMCA, opened a 50,000 square-foot facility which was completed in December 2023. The state-of-the-art fitness facility offers accessibility for people with disabilities, has a pool, and free childcare for families while at the YMCA. The City of Dayton provided **\$400,000 in ARPA funds** for this \$18 million project.

Hoover Place Inc, leveraged **\$500,000** in City HOME funds to complete \$2.6 million in rehabilitation activities at Hoover Place, an income restricted senior living facility in West Dayton. This rehabilitation project was imperative in the provision of safe, updated, and suitable housing for our vulnerable senior population.

Dayton BikeYard at Welcome Park, a 10-acre, free admission cycling center, held its official opening in May 2023. The site offers advanced, intermediate and beginner's trails, as well as a bicycle playground for children and a perimeter trail for walking and easy riding. To complete the project, the City successfully sought support from federal and state sources, as well as private sector and non-profit partners.

The Office of Sustainability, earned the prestigious **LEED for Cities Platinum status** from the U.S. Green Building Council in recognition of progress in meeting sustainability goals. The City is engaged in a multi-year effort to dramatically reduce its carbon footprint, while saving millions of dollars through sustainability efforts. Dayton is the first city/community in Ohio to earn the status and just the fourth in

the United States. The City also partnered with Sustainable Ohio Public Energy Council and AEP Energy to procure 100% renewable energy for residents through an **electric aggregation program**. For the year ended May 2023, the program saved the average residential power customer \$350.00 on electric power bills.

The **City of Dayton Survey**, was mailed to residents seeking opinion about living in Dayton and City government. The City has surveyed residents for more than three decades. Responses are anonymous and help shape City priorities and policies. The 2022 survey results indicated **more than 50% of residents are satisfied** with their overall quality of life in Dayton. Residents also indicated areas of improvement the City should focus on including, affordable housing options and condition of sidewalks and streets.

The City of Dayton created the **Crisis Response Unit** funded by a **\$1.4 million grant** from the Ohio Criminal Justice Service. The unit consists of a team of six specialists, including licensed professionals trained in mental-health crisis response. Between March 2021 and September 2022 mental health related 911 calls in Dayton increased 73%. The team provides de-escalation and connections to support services when needed to divert individuals from the criminal justice system when possible.

The **West Branch Express**, a free shuttle program that seeks to eliminate the hazard of residents trying to cross the US Route 35 highway to access the Dayton Metro West Branch Library was established in 2023. The West Branch Express provides safe travel from designated locations within the neighborhood to and from the library during traffic peak hours. This project results from a partnership with the City, Dayton Metro Library and support from the CareSource Foundation and Greater Dayton RTA.

The City of Dayton earned the renewal of the “**Certified Welcoming**” status in recognition of its ongoing work in support of immigrants and refugees. Dayton became the first city to become Certified Welcoming in 2017 and is one of 18 cities of counties in the U.S. to carry the designation. The recognition is attributable to work performed by the **Welcome Dayton** team that supports integration of immigrants into the Dayton community by encouraging business and economic development, providing access to education, government, health and social services, ensuring equity in the justice system, and promoting arts and culture.

LOOKING BACK, MOVING FORWARD

The Dayton Recovery Plan, \$138 million funded by the American Rescue Plan Act (ARPA), was approved by the City Commission in December 2021 was developed as 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. The Plan allocates \$33 million to ARPA Revenue Replacement and \$104.5 million in funding to six priority areas including: Supporting Black and Brown Businesses \$7.6 million, Improving our Neighborhoods \$55 million, Aiding Community and Small Business Recovery \$7.1 million, Catalyzing Economic Recovery \$10.7 million, Enhancing Critical City Services \$21.5 million and Internal Administrative Expenses \$2.6 million. Major focus areas included in the plan are listed below.

- **Support of Black and Brown Businesses** – Black and Brown business have historically been underserved due to discriminatory lending practices and the racial wealth gap. Projects in this area support capital expenses for local Black and Brown businesses. ARPA community survey data

and neighborhood engagement session feedback emphasized the need for investment in Black and Brown businesses as a means of creating multi-generational wealth.

- **Improving our Neighborhoods** – Dayton’s neighborhoods have faced many challenges as a result of population decline and the foreclosure crisis. Projects in this area address the holistic health and vibrancy of Dayton’s neighborhoods through housing, infrastructure, social services, and health/wellness services. Resident input through the ARPA community survey and neighborhood engagement sessions stressed the importance of nuisance structure demolition, housing rehab/repair, and parks/spray parks maintenance to the vitality of their neighborhoods.
- **Aiding Community and Small Business Recovery** - Due to the COVID-19 pandemic, many businesses and non-profit organizations need additional capacity to address the health and well-being of the community. Projects in this area focus on supporting community health and wellness, incentivizing savings and wealth creation, and assisting small businesses.
- **Catalyzing Economic Recovery** – Investments in catalytic projects are necessary for the economic recovery from the COVID-19 pandemic and disrupting generational poverty. Projects in this area include investments to the historic Wright Factory Site and the creation of a First Floor Fund for the City’s business districts. ARPA community survey data and community engagement session feedback emphasized the desire for catalytic investment in the City’s various business districts to create more vibrant neighborhoods.
- **Enhancing Critical City Services** – The City of Dayton needs to be responsive to the City’s changing population and community needs. Projects in this area include the construction of a new joint Police-Fire station and improvements to City facilities. ARPA community survey data and community engagement data indicated the need to increased public safety investments.
- **Internal Administrative Expenses** – In order to implement the Dayton Recovery Plan and to ensure compliance with federal and reporting requirements the City has allocated funding to acquired external services including legal guidance and compliance and auditing services.

By the close of 2023, 63 projects and initiatives were approved by the City Commission for nearly \$39.9 million in funding, including nonprofit community service programs and small businesses.

AWARDS AND ACKNOWLEDGEMENTS

For the 41th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting to the City of Dayton for its Annual Comprehensive Financial Report for the year ended December 31, 2022. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive 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 2023 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate of achievement.

Appreciation is extended to the Financial Analysis team, and our external partner, Julian and Grube whose dedicated commitment to excellence contributed to the development of the ACFR. Thank you to the entire Department of Finance and all City Departments who committed to providing accurate and timely data during the course of preparing this report. I would also like to thank the City Manager's office, Mayor, and City Commission for their support of the Department of Finance in our efforts to ensure we maintain sound financial practices and protect the financial integrity of this great City.

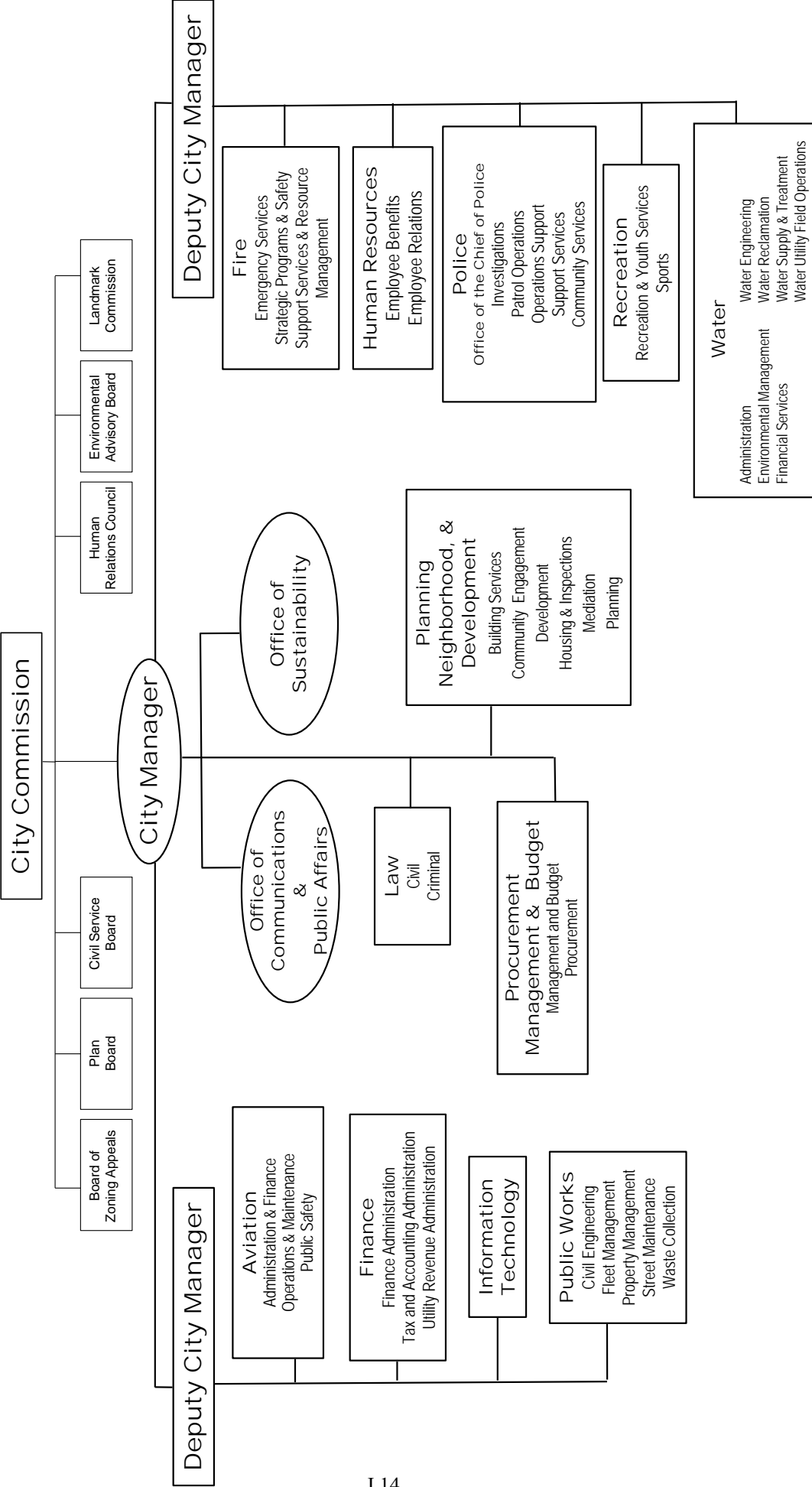
Respectfully submitted,



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, 2023**

ELECTED OFFICIALS

Mayor	Jeffrey J. Mims, Jr.
Commissioner	Matt Joseph
Commissioner	Chris Shaw
Commissioner	Darryl Fairchild
Commissioner	Shenise Turner Sloss
Chief of Staff – City Commissioner	Verletta A. Jackson
Dayton Municipal Clerk of Courts	Marty Gehres

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
Clerk of Commission – City Commission	Regina Blackshear
Director – Finance	Kena L. Brown
Director and Chief – Fire	Jeff Lykins
Acting Director – Human Relations Council	Verletta A. Jackson
Director – Human Resources	Kenneth Couch
Director – IT	Jon Rike
Director – Law	Barbara Doseck
Acting Director – Management and Budget	Abbie Patel Jones
Director – Planning and Community Development	Todd Kinskey
Director and Chief – Police	Kamran Afzal
Director – Public Works	Fred Stovall
Acting Director – Recreation & Youth Services	Stephan Marcellus
Director – Water	Mike Powell



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Dayton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

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, 2023, 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, 2023, 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 2023, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. 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 July 31, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
July 31, 2024

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CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (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, 2023. 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 2023 are as follows:

- The total net position of the City increased \$77,901,645 in 2023 from the 2022 net position. Net position of governmental activities increased \$45,783,638 or 8.86% from 2022 and net position of business-type activities increased \$32,118,007 or 5.20% from 2022 net position.
- The City had \$346,599,907 in revenues and other financing sources related to governmental activities. General revenues accounted for \$222,903,466 or 64.31% of total governmental activities revenue. Program specific revenues accounted for \$123,696,441 or 35.69% of total governmental activities revenue.
- The City had \$300,816,269 in expenses related to governmental activities; \$123,696,441 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$177,119,828 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$222,903,466.
- The general fund had revenues and other financing sources of \$253,383,699 in 2023. The expenditures and other financing uses of the general fund totaled \$240,557,192 in 2023. The net increase in the fund balance for the general fund was \$12,826,507 or 13.01% higher than 2022.
- The Local Fiscal Recovery Fund had \$55,467,861 in revenues and other financing uses and \$39,558,881 in expenditures in 2023. The net increase in the fund balance for the local fiscal recovery fund was \$15,908,980 or 36.50% higher than 2022.
- The debt service major fund had \$10,141,021 in revenues and other financing sources and \$11,275,861 in expenditures in 2023. The decrease in fund balance in the debt service fund was \$1,134,840, a 4.05% decrease from 2022.
- The capital improvements major fund had \$36,651,972 in revenues and other financing sources and \$26,934,205 in expenditures and other financing uses in 2023. The fund balance for the capital improvements fund increased \$9,717,767 or 13.42% from 2022.
- Net position for the enterprise funds, which are made up of the Dayton International Airport, Water, Sewer, and Storm Water enterprise funds, increased in 2023 by \$32,118,007.
- The Dayton International Airport enterprise fund had \$29,722,395 in operating revenues and \$37,093,248 in operating expenses in 2023. The Dayton International Airport enterprise fund also had non-operating revenues of \$3,239,047, non-operating expenses of \$2,638,229 and capital contributions of \$18,306,507. The net position of the Dayton International Airport enterprise fund increased \$11,536,472 or 4.50% from 2022.
- The Water enterprise fund had \$61,338,736 in operating revenues and \$52,670,381 in operating expenses in 2023. The Water enterprise fund also had non-operating revenues of \$4,526,177, non-operating expenses of \$2,435,149 and capital contributions of \$636,500. The net position of the Water enterprise fund increased \$11,395,883 or 5.73% from 2022.
- The Sewer enterprise fund had \$42,766,102 in operating revenues and \$37,792,944 in operating expenses in 2023. The Sewer enterprise fund also had non-operating revenues of \$2,224,441 and non-operating expenses of \$993,818. The net position of the Sewer enterprise fund increased \$6,203,781 or 4.75% over 2022.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

- In the general fund, the actual revenues were \$920,943 lower than they were in the final budget and actual expenditures and other financing uses were \$12,479,633 lower than the amount in the final budget. Budgeted revenues increased \$28,207,566 from the original budget to the final budget. Budgeted expenditures and other financing uses increased \$23,560,529 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 2023?" 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, 2023 (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 13 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, 2023
(UNAUDITED)**

Government-Wide Financial Analysis

The table below is a summary of the City's net position at December 31, 2023 compared to December 31, 2022.

Net Position

	Governmental Activities <u>2023</u>	Restated Governmental Activities <u>2022</u>	Business-type Activities <u>2023</u>	Restated Business-type Activities <u>2022</u>	Total <u>2023</u>	Total <u>2022</u>
Assets						
Current and other assets	\$ 470,739,864	\$ 465,552,530	\$ 279,670,862	\$ 268,016,414	\$ 750,410,726	\$ 733,568,944
Capital assets, net	<u>498,147,635</u>	<u>488,689,818</u>	<u>626,295,210</u>	<u>618,968,717</u>	<u>1,124,442,845</u>	<u>1,107,658,535</u>
Total assets	<u>968,887,499</u>	<u>954,242,348</u>	<u>905,966,072</u>	<u>886,985,131</u>	<u>1,874,853,571</u>	<u>1,841,227,479</u>
Total deferred outflows of resources	<u>115,480,787</u>	<u>66,878,658</u>	<u>32,056,824</u>	<u>11,030,058</u>	<u>147,537,611</u>	<u>77,908,716</u>
Liabilities						
Current liabilities	64,468,567	94,959,155	15,269,265	16,553,435	79,737,832	111,512,590
Long-term liabilities:						
Due in one year	20,499,678	20,494,314	12,555,090	11,713,238	33,054,768	32,207,552
Due in more than one year:						
Net pension liability	278,978,198	156,943,550	62,715,561	20,297,018	341,693,759	177,240,568
Net OPEB liability	16,302,159	23,084,233	1,558,176	384,183	17,860,335	23,468,416
Other amounts	<u>85,221,090</u>	<u>92,663,362</u>	<u>173,574,236</u>	<u>182,101,750</u>	<u>258,795,326</u>	<u>274,765,112</u>
Total liabilities	<u>465,469,692</u>	<u>388,144,614</u>	<u>265,672,328</u>	<u>231,049,624</u>	<u>731,142,020</u>	<u>619,194,238</u>
Total deferred inflows of resources	<u>56,140,104</u>	<u>116,001,540</u>	<u>22,172,271</u>	<u>48,905,275</u>	<u>78,312,375</u>	<u>164,906,815</u>
Net Position						
Net investment in capital assets	417,567,275	422,660,216	438,224,270	444,340,977	855,791,545	867,001,193
Restricted	88,678,231	101,513,886	14,994,727	14,038,741	103,672,958	115,552,627
Unrestricted (deficit)	<u>56,512,984</u>	<u>(7,199,250)</u>	<u>196,959,300</u>	<u>159,680,572</u>	<u>253,472,284</u>	<u>152,481,322</u>
Total net position	<u>\$ 562,758,490</u>	<u>\$ 516,974,852</u>	<u>\$ 650,178,297</u>	<u>\$ 618,060,290</u>	<u>\$ 1,212,936,787</u>	<u>\$ 1,135,035,142</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, 2023 (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.

The fluctuations in pension/opeb liability and associated deferred inflows and outflows were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund. Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$1,212,936,787. At year-end, net positions were \$562,758,490 and \$650,178,297 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 55.60% 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 and right to use assets.

CITY OF DAYTON, OHIO

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The City's net investment in capital assets at December 31, 2023, was \$417,567,275 and \$438,224,270 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, 2023, 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, \$103,672,958, 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 balance of \$56,512,984.

Change in Net Position

	Governmental Activities 2023	Restated Governmental Activities 2022	Business-Type Activities 2023	Restated Business-Type Activities 2022	Total 2023	Total 2022
Revenues						
Program revenues:						
Charges for services and sales	\$ 47,039,143	\$ 42,172,346	\$ 130,901,497	\$ 118,021,914	\$ 177,940,640	\$ 160,194,260
Operating grants and contributions	68,454,352	59,510,561	-	-	68,454,352	59,510,561
Capital grants and contributions	8,202,946	6,437,120	18,943,007	14,537,051	27,145,953	20,974,171
Total program revenues	<u>123,696,441</u>	<u>108,120,027</u>	<u>149,844,504</u>	<u>132,558,965</u>	<u>273,540,945</u>	<u>240,678,992</u>
General revenues:						
Property taxes	14,704,042	13,685,283	-	-	14,704,042	13,685,283
Income taxes	153,226,419	153,481,195	-	-	153,226,419	153,481,195
Payment in lieu of taxes	3,143,434	1,645,403	-	-	3,143,434	1,645,403
Unrestricted grants	9,524,381	17,997,082	-	-	9,524,381	17,997,082
Investment earnings and fair value adjustment	11,616,808	(10,649,360)	11,053,017	(4,706,412)	22,669,825	(15,355,772)
Miscellaneous	30,688,382	3,376,795	11,707,728	15,297,807	42,396,110	18,674,602
Total general revenues	<u>222,903,466</u>	<u>179,536,398</u>	<u>22,760,745</u>	<u>10,591,395</u>	<u>245,664,211</u>	<u>190,127,793</u>
Total revenues	<u>346,599,907</u>	<u>287,656,425</u>	<u>172,605,249</u>	<u>143,150,360</u>	<u>519,205,156</u>	<u>430,806,785</u>
Expenses:						
Downtown	173,790	69,808	-	-	173,790	69,808
Youth, education and human services	50,002	27,506	-	-	50,002	27,506
Community development and neighborhoods	25,972,299	23,938,856	-	-	25,972,299	23,938,856
Economic development	13,668,046	14,075,369	-	-	13,668,046	14,075,369
Leadership and quality of life	96,071,386	41,544,959	-	-	96,071,386	41,544,959
Corporate responsibility	23,548,118	15,269,428	-	-	23,548,118	15,269,428
Public safety and justice	138,484,403	114,040,610	-	-	138,484,403	114,040,610
Interest and fiscal charges	2,848,225	2,375,389	-	-	2,848,225	2,375,389
Dayton International Airport	-	-	39,686,041	36,580,249	39,686,041	36,580,249
Water	-	-	55,028,694	49,184,442	55,028,694	49,184,442
Sewer	-	-	38,737,619	36,513,792	38,737,619	36,513,792
Other business-type activities:						
Storm water	-	-	7,034,888	7,223,546	7,034,888	7,223,546
Total expenses	<u>300,816,269</u>	<u>211,341,925</u>	<u>140,487,242</u>	<u>129,502,029</u>	<u>441,303,511</u>	<u>340,843,954</u>
Change in net position	<u>45,783,638</u>	<u>76,314,500</u>	<u>32,118,007</u>	<u>13,648,331</u>	<u>77,901,645</u>	<u>89,962,831</u>
Net position at beginning of year (restated)	<u>516,974,852</u>	<u>440,660,352</u>	<u>618,060,290</u>	<u>604,411,959</u>	<u>1,135,035,142</u>	<u>1,045,072,311</u>
Net position at end of year	<u>\$ 562,758,490</u>	<u>\$ 516,974,852</u>	<u>\$ 650,178,297</u>	<u>\$ 618,060,290</u>	<u>\$ 1,212,936,787</u>	<u>\$ 1,135,035,142</u>

CITY OF DAYTON, OHIO

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Governmental Activities

Governmental activities net position increased \$45,783,638 in 2023. This increase is due in part to revenue loss replacement funding from the American Rescue Plan Act. Income taxes dropped \$254,776 or 0.17% in 2023. Personnel expenses were higher in 2023 when compared to 2022. Personnel expenses grew due to planned wage increases and higher insurance costs. Care and maintenance costs contributed to higher expenses in 2023, these include computer maintenance expense, supply chain inflation and increased use of security services.

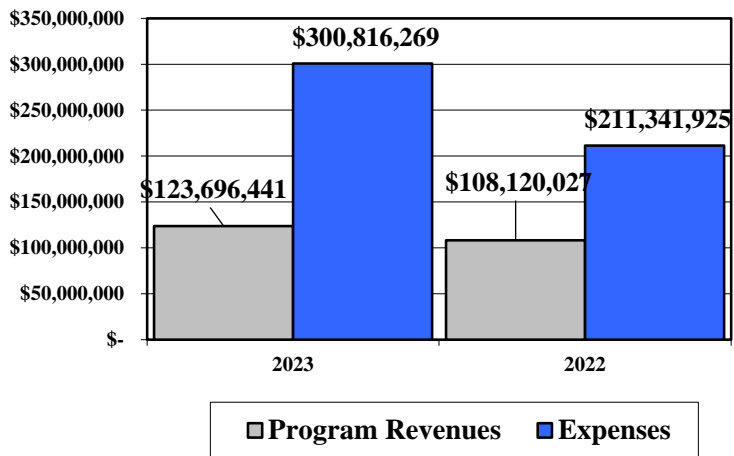
Public safety and justice, which primarily supports the operations of the police and fire departments accounted for \$138,484,403 of the total expenses of the City. These expenses were partially funded by \$28,262,931 in direct charges to users of the services and \$6,749,655 in operating grants and contributions. Leadership and quality of life expenses totaled \$96,071,386. Leadership and quality of life expenses were partially funded by \$7,475,407 in direct charges to users of the services, \$49,390,510 in operating grants and contributions, and \$8,202,946 in capital grants and contributions.

The state and federal government contributed to the City a total of \$68,454,352 in operating grants and contributions and \$8,202,946 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$49,390,510 subsidized leadership and quality of life and \$7,669,111 subsidized community development and neighborhoods. The total capital grants and contributions, \$8,202,946 subsidized leadership and quality of life programs.

General revenues totaled \$222,903,466 and amounted to 64.31% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$167,930,461. 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 \$9,524,381.

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

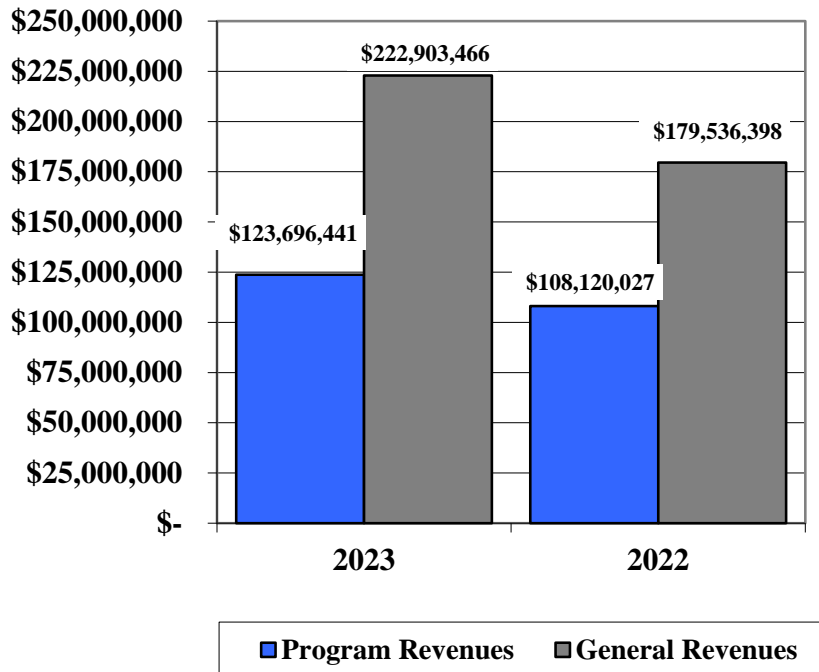
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program Expenses:				
Downtown	\$ 173,790	\$ 159,858	\$ 69,808	\$ 69,430
Youth, education and human services	50,002	41,305	27,506	21,344
Community development and neighborhoods	25,972,299	14,113,471	23,938,856	12,538,334
Economic development	13,668,046	9,783,504	14,075,369	10,890,421
Leadership and quality of life	96,071,386	31,002,523	41,544,959	18,116,219
Corporate responsibility	23,548,118	15,699,125	15,269,428	10,996,429
Public safety and justice	138,484,403	103,471,817	114,040,610	48,214,332
Interest and fiscal charges	2,848,225	2,848,225	2,375,389	2,375,389
Total Expenses	\$ 300,816,269	\$ 177,119,828	\$ 211,341,925	\$ 103,221,898

The dependence upon general revenues for governmental activities is apparent, with 58.88% of expenses supported through taxes and other general revenues. Total governmental expenses were \$300,816,269, program revenues were \$123,696,441 and general revenues were \$222,903,466. The City increased spending funds from the Local Fiscal Recovery Fund related to the American Rescue Plan. As discussed earlier, the City also had wage and benefit expense increases that resulted in increased expenses in all program areas. There was also a significant increase in pension expense as a result of an increase in expenses incurred at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund due to a decrease in net investment income on investments compared to previous years.

Governmental Activities – General and Program Revenues



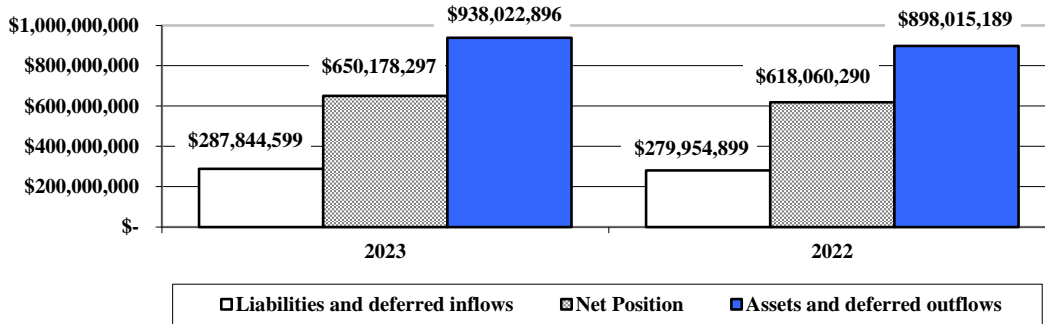
CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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 \$32,118,007 in 2023. These programs had program revenues of \$149,844,504, general revenues of \$22,760,745 and expenses of \$140,487,242 for 2023. The graph below 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 \$301,274,306 which is \$35,022,766 more than last year's total of \$266,251,540. The table below indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> 12/31/2023	<u>Fund Balances</u> 12/31/2022	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 111,441,859	\$ 98,615,352	\$ 12,826,507
Local Fiscal Recovery Fund	59,491,136	43,582,156	15,908,980
Debt service	26,892,516	28,027,356	(1,134,840)
Capital improvement	82,145,897	72,428,130	9,717,767
Other nonmajor governmental funds	<u>21,302,898</u>	<u>23,598,546</u>	<u>(2,295,648)</u>
Total	<u>\$ 301,274,306</u>	<u>\$ 266,251,540</u>	<u>\$ 35,022,766</u>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

General Fund

	<u>2023</u> Amount	<u>2022</u> Amount	Percentage <u>Change</u>
<u>Revenues</u>			
Income, property and other taxes	\$ 162,684,683	\$ 166,870,819	(2.51) %
Charges for services	30,681,674	29,300,991	4.71 %
Licenses and permits	3,719,069	3,663,840	1.51 %
Fines and forfeitures	5,732,090	3,862,866	48.39 %
Investment income	10,970,996	(5,795,556)	289.30 %
Special assessments	687,781	350,832	96.04 %
Intergovernmental	6,639,118	7,128,170	(6.86) %
Other	<u>30,632,592</u>	<u>3,363,920</u>	810.62 %
Total	<u>\$ 251,748,003</u>	<u>\$ 208,745,882</u>	20.60 %

The above table assists in illustrating the revenues of the general fund. Overall revenues of the general fund increased \$43,002,121. The largest increase in revenue was the other revenue, which is the 2023 Revenue Loss Reimbursement from the American Rescue Plan Act. Investment income increased \$16,766,552 or 289.30% as a result of the fair value adjustment recorded at December 31, 2023 due to market fluctuation and changes in the City's investment strategy. The decrease in intergovernmental revenue was due to a decrease in the revenue from the State's local government fund. This reduction was due to a recent State law that reduces a municipality's local government fund revenue if the municipality operates traffic photo enforcement cameras.

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

	<u>2023</u> Amount	<u>2022</u> Amount	Percentage <u>Change</u>
<u>Expenditures</u>			
Downtown	\$ 79,400	\$ 2,064	3,746.90 %
Youth, education and human services	49,566	33,683	47.15 %
Community development and neighborhoods	17,918,314	17,599,718	1.81 %
Economic development	7,124,406	6,894,139	3.34 %
Leadership and quality of life	29,881,530	26,968,848	10.80 %
Corporate responsibility	18,846,145	17,132,878	10.00 %
Public safety and justice	121,335,588	118,814,947	2.12 %
Capital outlay	1,635,696	-	100.00 %
Debt service	<u>924,910</u>	<u>357,334</u>	158.84 %
Total	<u>\$ 197,795,555</u>	<u>\$ 187,803,611</u>	5.32 %

Overall expenditures of the general fund increased by \$9,991,944 or 5.32%. The largest expenditure of the City, public safety and justice, increased \$2,520,641 or 2.12%. The City entered into a new Courts security contract with the Montgomery County Sheriff's office. Personnel costs are the largest expenditure for the City. These costs increased due to insurance benefit cost increase of 13.8% and annual wage increases. The debt service and capital outlay expenditures in the general fund were for lease and SBITA payments reported in accordance with GASB Statements 87 and 96.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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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. 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.

	2023 Amount	2022 Amount	Percentage Change
<u>Revenues</u>			
Intergovernmental	\$ 35,729,512	\$ 39,165,768	(8.77) %
Charges for services	6,143	-	100.00 %
Investment income	2,296,116	576,742	298.12 %
Increase in fair value of investments	2,358,544	(4,128,501)	157.13 %
Other	<u>33,446</u>	<u>-</u>	100.00 %
Total	<u>\$ 40,423,761</u>	<u>\$ 35,614,009</u>	13.51 %

<u>Expenditures</u>			
Economic development	\$ -	\$ 4,725,000	(100.00) %
Leadership and quality of life	36,436,894	969,296	3,659.11 %
Corporate responsibility	<u>3,121,987</u>	<u>60,000</u>	5,103.31 %
Total	<u>\$ 39,558,881</u>	<u>\$ 5,754,296</u>	587.47 %

Debt Service

The City's debt service fund balance decreased \$1,134,840. 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 \$932,185 for debt payments.

	2023 Amount	2022 Amount	Percentage Change
<u>Revenues</u>			
Taxes	\$ 7,893,292	\$ 7,884,733	0.11 %
Charges for services	309,213	419,093	(26.22) %
Intergovernmental	967,062	991,985	(2.51) %
Special assessments	12,875	19,748	(34.80) %
Investment income	1,854	2,499	(25.81) %
Other	<u>24,540</u>	<u>12,875</u>	90.60 %
Total	<u>\$ 9,208,836</u>	<u>\$ 9,330,933</u>	(1.31) %

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
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Expenditures

Corporate responsibility	\$ 253,646	\$ 261,942	(3.17) %
Principal retirement	7,717,500	6,734,084	14.60 %
Interest and fiscal charges	<u>3,304,715</u>	<u>2,392,601</u>	38.12 %
Total	<u>\$ 11,275,861</u>	<u>\$ 9,388,627</u>	20.10 %

Capital Improvements

The City's capital improvements fund balance increased by \$9,717,767 or 13.42%. The tables below illustrate the revenues and expenditures of the capital improvement fund. Revenues increased \$883,058 or 9.89%, due to an increase in payments in lieu of taxes. The tax revenue is used to reduce the balance of the manuscript debt. Expenditures increased \$1,049,358 or 4.11%. In addition to the revenues listed on the chart below, the capital improvements fund had \$26,839,027 in transfers from the general fund to be used for capital improvements. Capital outlay expenditures increased 6.88% due to spending associated with the City's capital plan for infrastructure and building improvements.

	<u>2023</u> Amount	<u>2022</u> Amount	<u>Percentage</u> Change
<u>Revenues</u>			
Taxes	\$ 225,260	\$ 225,260	0.00 %
Charges for services	277,205	151,900	82.49 %
Intergovernmental	6,086,939	6,601,418	(7.79) %
Investment income	96	-	- %
Payments in lieu of taxes	3,143,434	1,645,403	91.04 %
Other	<u>80,011</u>	<u>305,906</u>	(73.84) %
Total	<u>\$ 9,812,945</u>	<u>\$ 8,929,887</u>	9.89 %

	<u>2023</u> Amount	<u>2022</u> Amount	<u>Percentage</u> Change
<u>Expenditures</u>			
Community development and neighborhoods	79,655	74,523	6.89 %
Economic development	1,366,840	1,485,577	(7.99) %
Leadership and quality of life	1,586,724	1,661,171	(4.48) %
Corporate responsibility	9,525	2,011	373.64 %
Capital outlay	23,547,950	22,032,208	6.88 %
Debt service	<u>-</u>	<u>285,846</u>	(100.00) %
Total	<u>\$ 26,590,694</u>	<u>\$ 25,541,336</u>	4.11 %

2023 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, 2023 (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 42. With respect to changes to the general fund, the final budget reflects projected revenues that were \$28.2 million higher than the original budget. Actual revenues had a positive variance of \$27.3 million compared to the original budget. \$26.6 million of this budget variance was revenue loss replacement from ARPA.

Actual general fund revenues performed better in six categories and underperformed in four categories relative to the both the original and final forecast. When the one-time ARPA revenue replacement is excluded, the variance to both the original and final budgets of 0.3% and -0.4%, respectively, indicates that we were within our performance metric of 0% to 3% revenue variance. Following the pandemic related decline in 2020, and a sizable growth in 2021 and 2022 contributed by the federal monetary policies, income tax began to stabilize in 2023 ending the year lower than the original budget but higher than the final budget.

Six revenue categories realized a variance in excess of 10% when compared to the original budget and five revenue categories experienced the same when compared to the final budget. Fines and Forfeitures revenues were 61% or nearly \$2.0 million higher than the original budget, but the final budget was revised to account for higher revenues from the public safety photo enforcement program. These revenues exceeded expectations and year-end actuals were 23% or \$1.0 million above the final budget. Special Assessment beat both original and final budget by 102% due to higher than estimated settlement payments. Investment Income underperformed relative to the original budget by 20%. Compared to the final budget investment income was 43% lower due to a budgetary oversight. Other revenues were nearly \$700,000 under budget compared to the final budget largely due to the volatility associated with miscellaneous revenue category. Property and Other Local Taxes underperformed by 7% when compared to the final budget. State Shared Taxes underperformed the original budget by 16% and final budget by 2% due to reduction in the Local Government Fund for the Traffic Enforcement Camera (TEC) fines. Charges for Services beat both original and final budget by 4% or \$1.1 million due to planned rate increases largely for waste collection and stronger revenue performance. ARPA revenue replacement calculated based on the treasury final rule formula were \$26.5 million. As allowable under the first bucket, these funds were allocated to government services that covered payroll expenses for public safety employees. In the absence of ARPA revenue replacement, total general fund revenues were 0.11% higher than fiscal year 2022 as the year-over-year growth was eroded by the decline in the State Shared Taxes due to TEC reduction.

Actual expenditures in 2023 were \$19.8 million or 9% under (favorable) the original budget and were \$10.7 million or 5.1% under the final budget. All programmatic categories were within the 10% variance threshold except for Economic Development and Other Expenditures. The Economic Development category realized nearly \$3.2 million or 27% positive variance to both the original and the final budget. As for the Other category, the final budget was \$5.6 million over actual expenditures, reflecting a 55.4% variance.

Net operating transfers exceeded the original budget by \$30.9 million and were \$1.8 million above 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 that are eligible to be used for the provision of government services.

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 \$2.1 million. After adjustments for prior year encumbrances and to the balance sheet, the general fund ended the year with a \$106.4 million fund balance. This represents a \$5.7 million increase from 2022.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

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 \$650,322,607 which is \$31,942,397 above last year's total of \$618,380,210.

The following table indicates the net position and the total change in net position as of December 31, 2023 for all major and nonmajor business-type funds.

	Net Position 12/31/2023	(Restated) Net Position 12/31/2022	Increase
Major Funds:			
Dayton International Airport	\$ 267,697,075	\$ 256,160,603	\$ 11,536,472
Water	210,331,507	198,935,624	11,395,883
Sewer	136,704,105	130,500,324	6,203,781
Other Business-type activities	<u>35,589,920</u>	<u>32,783,659</u>	<u>2,806,261</u>
Total	<u>\$ 650,322,607</u>	<u>\$ 618,380,210</u>	<u>\$ 31,942,397</u>

Dayton International Airport (DIA)

The City's Dayton International Airport net position increased by \$11,536,472 or 4.50% from the 2022 amount. The Dayton International Airport received \$18,306,507 in capital contributions, which included CRSSA and ARPA grants. Enplanements increased 6.3% in 2023 and parking revenue increased 14.2% over 2022, contributing to the increase in charges for services revenue.

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

	2023 Amount	2022 Amount	Percentage Change
<u>Operating Revenues</u>			
Charges for services	\$ 25,541,278	\$ 19,894,551	28.38 %
Other	<u>4,181,117</u>	<u>5,741,129</u>	(27.17) %
Total	<u>\$ 29,722,395</u>	<u>\$ 25,635,680</u>	15.94 %
<u>Operating Expenses</u>			
Personnel services	\$ 6,920,091	\$ 6,581,241	5.15 %
Benefit payments	1,266,700	(2,202,882)	157.50 %
Contractual services	7,669,492	7,307,519	4.95 %
Materials and supplies	889,686	675,758	31.66 %
Utilities	1,668,398	2,110,632	(20.95) %
Depreciation	15,937,672	16,230,489	(1.80) %
Other	<u>2,741,209</u>	<u>2,909,588</u>	(5.79) %
Total	<u>\$ 37,093,248</u>	<u>\$ 33,612,345</u>	10.36 %

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Operating expenses increased by \$3,480,903 or 10.36%. The significant increase in fringe benefit costs was due changes in net pension and net OPEB liability and the associated deferred inflows and deferred outflows of resources. Primarily, net investment income on investments at the pension system were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

	<u>2023</u> Amount	<u>2022</u> Amount	<u>Percentage</u> Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 1,951,000	\$ 598,627	225.91 %
Interest expense and fiscal charges	(2,638,229)	(2,981,728)	(11.52) %
Increase in fair value of investments	1,285,199	(1,902,063)	167.57 %
Gain on sale of capital assets	2,848	1,088,297	(99.74) %
Capital contributions	<u>18,306,507</u>	<u>14,248,051</u>	28.48 %
Total	<u>\$ 18,907,325</u>	<u>\$ 11,051,184</u>	71.09 %

Nonoperating revenues and expenses increased by \$7,856,141 or 71.09%. Capital contributions for 2022 and 2023 were primarily for Federal grants that are being used for capital improvements, along with passenger facility charges. The change in fair value of investments and interest revenue reflects aviation's share of the overall portfolio increase and investment earnings. The airport sold land in 2022, which resulted in a gain on sale of assets for 2022.

Water

The City's Water fund net position increased by \$11,395,883 or 5.73% from the 2022 amount.

	<u>2023</u> Amount	<u>2022</u> Amount	<u>Percentage</u> Change
<u>Operating Revenues</u>			
Charges for services	\$ 55,638,873	\$ 51,407,290	8.23 %
Other	<u>5,699,863</u>	<u>6,813,902</u>	(16.35) %
Total	<u>\$ 61,338,736</u>	<u>\$ 58,221,192</u>	5.35 %
<u>Operating Expenses</u>			
Personnel services	\$ 17,948,205	\$ 17,652,598	1.67 %
Benefit payments	7,247,521	(1,241,918)	683.57 %
Contractual services	5,557,888	8,758,697	(36.54) %
Materials and supplies	5,959,651	5,568,637	7.02 %
Utilities	4,816,402	6,378,375	(24.49) %
Depreciation	9,058,412	8,087,002	12.01 %
Other	<u>2,082,302</u>	<u>2,218,146</u>	(6.12) %
Total	<u>\$ 52,670,381</u>	<u>\$ 47,421,537</u>	11.07 %

Overall, operating revenue increased 5.35%. Operating expenses increased by \$5,248,844 or 11.07%. 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. Rising chemical costs and equipment maintenance/repairs were partially responsible for the increase in materials and supplies expenses.

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	2023 Amount	2022 Amount	Percentage Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 2,856,430	\$ 525,623	443.44 %
Interest expense and fiscal charges	(2,435,149)	(1,651,931)	47.41 %
Increase in fair value of investments	1,669,747	(2,483,635)	167.23 %
Gain (loss) on sale of capital assets	-	(6,060)	(100.00) %
Total	<u>\$ 2,091,028</u>	<u>\$ (3,616,003)</u>	157.83 %

The change in fair value of investments and interest revenue reflects the water fund's share of the overall portfolio investment increase and investment earnings.

Sewer

The City's Sewer fund net position increased by \$6,203,781 or 4.75% from 2022. The increase in charges for services were an increase in revenue from both City customers and other jurisdictions.

	2023 Amount	2022 Amount	Percentage Change
<u>Operating Revenues</u>			
Charges for services	\$ 41,157,625	\$ 38,626,803	6.55 %
Other	<u>1,608,477</u>	<u>1,653,671</u>	(2.73) %
Total	<u>\$ 42,766,102</u>	<u>\$ 40,280,474</u>	6.17 %
<u>Operating Expenses</u>			
Personnel services	\$ 9,086,953	\$ 9,048,649	0.42 %
Benefit payments	3,945,449	(275,092)	1,534.23 %
Contractual services	8,853,993	10,648,426	(16.85) %
Materials and supplies	5,216,802	4,237,803	23.10 %
Utilities	2,156,433	3,210,041	(32.82) %
Depreciation	7,434,880	7,263,027	2.37 %
Other	<u>1,098,434</u>	<u>1,249,231</u>	(12.07) %
Total	<u>\$ 37,792,944</u>	<u>\$ 35,382,085</u>	6.81 %

Operating expenses increased by \$2,410,859 or 6.81%. The largest increase in expenses was to benefit payments related to recording the net pension liability and the net OPEB liability.

	2023 Amount	2022 Amount	Percentage Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 1,245,410	\$ 529,462	135.22 %
Increase in fair value of investments	979,031	(1,422,554)	168.82 %
Interest expense and fiscal charges	(993,818)	(1,038,039)	4.26 %
Loss on sale of capital assets	-	(26,406)	(100.00) %
Total	<u>\$ 1,230,623</u>	<u>\$ (1,957,537)</u>	162.87 %

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Nonoperating revenues and expenses in 2023 increased by \$3,188,160 or 162.87%. The change in fair value of investments and interest revenue reflects the water fund's share of the overall portfolio investment increase and investment earnings.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2023, the City had \$1,124,442,845 (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, \$498,147,635 was reported in governmental activities and \$626,295,210 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, 2023 balances compared to December 31, 2022:

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

	Governmental Activities	Governmental Activities (Restated)	Business-Type Activities	Business-Type Activities (Restated)	Total	Total (Restated)
	2023	2022	2023	2022	2023	2022
Land	\$ 55,135,056	\$ 55,049,436	\$ 37,682,406	\$ 37,682,406	\$ 92,817,462	\$ 92,731,842
Construction in progress	10,326,776	8,371,810	57,618,203	43,768,838	67,944,979	52,140,648
Right of ways	14,007,402	14,007,402	-	-	14,007,402	14,007,402
Buildings and improvements	69,885,194	72,677,999	156,140,506	157,859,908	226,025,700	230,537,907
Improvements other than buildings (IOTB)	29,528,868	26,944,210	344,749,477	347,698,335	374,278,345	374,642,545
Equipment	4,513,307	3,656,820	12,373,941	12,711,946	16,887,248	16,368,766
Software	763,225	397,566	-	-	763,225	397,566
Vehicles	19,890,419	20,198,712	16,822,425	18,033,265	36,712,844	38,231,977
Infrastructure	287,245,215	281,303,870	-	-	287,245,215	281,303,870
Right to use - buildings	5,215,008	5,300,567	15,395	-	5,230,403	5,300,567
Right to use - software	1,611,204	781,427	892,857	1,214,018	2,504,061	1,995,445
Right to use - equipment	25,961	-	-	-	25,961	-
Total	<u>\$ 498,147,635</u>	<u>\$ 488,689,819</u>	<u>\$ 626,295,210</u>	<u>\$ 618,968,716</u>	<u>\$ 1,124,442,845</u>	<u>\$ 1,107,658,535</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.

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 55.05% of the City's total business-type capital assets.

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Debt Administration

The City had the following long-term obligations outstanding at December 31, 2023 and 2022 (excluding premiums/discounts):

	Governmental Activities	Governmental Activities (Restated)
	2023	2022
General obligation bonds	\$ 50,270,000	\$ 55,085,000
Revenue bonds	19,035,000	21,230,000
Total bonds	<u>69,305,000</u>	<u>76,315,000</u>
Ohio Public Works Commission (OPWC) loans	1,388,692	1,528,057
State infrastructure bank loan	1,836,967	1,950,976
State infrastructure bank bonds	2,415,000	2,565,000
Ohio Department of Development Loan	590,437	894,563
Leases payable	5,316,737	5,321,462
SBITA payable	1,032,195	220,549
Total loans and other obligations	<u>12,580,028</u>	<u>12,480,607</u>
Total long-term obligations	<u>\$ 81,885,028</u>	<u>\$ 88,795,607</u>
	Business-type Activities	Business-type Activities (Restated)
	2023	2022
General obligation bonds	\$ 22,230,000	\$ 24,355,000
Revenue bonds	129,155,000	135,795,000
Total bonds	<u>151,385,000</u>	<u>160,150,000</u>
Ohio Water Development Authority (OWDA) loans	17,806,294	15,213,122
Jobs Ohio loans	3,803,410	4,025,799
Leases payable	15,405	-
SBITA payable	579,482	1,204,164
Total loans and other obligations	<u>22,204,591</u>	<u>20,443,085</u>
Total long-term obligations	<u>\$ 173,589,591</u>	<u>\$ 180,593,085</u>

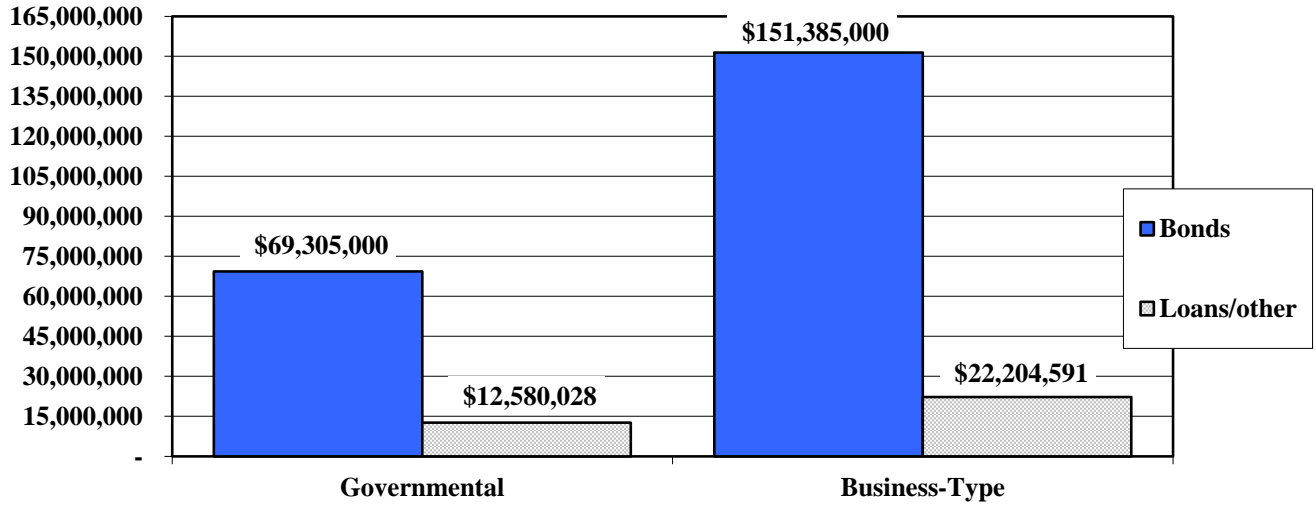
See Note 14 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

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

Long-term Obligations



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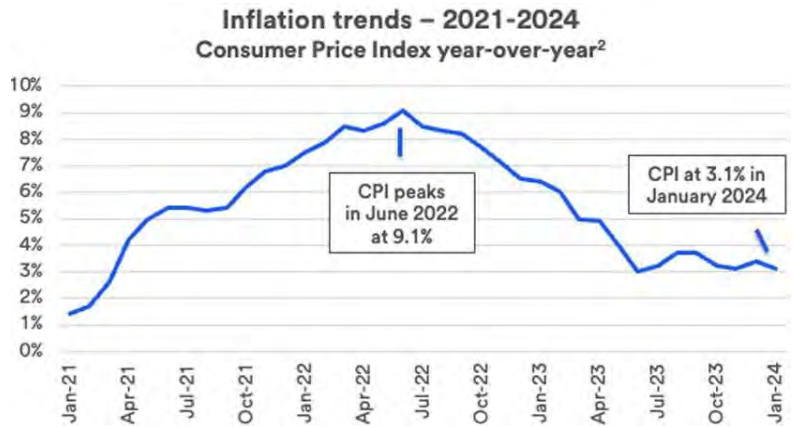
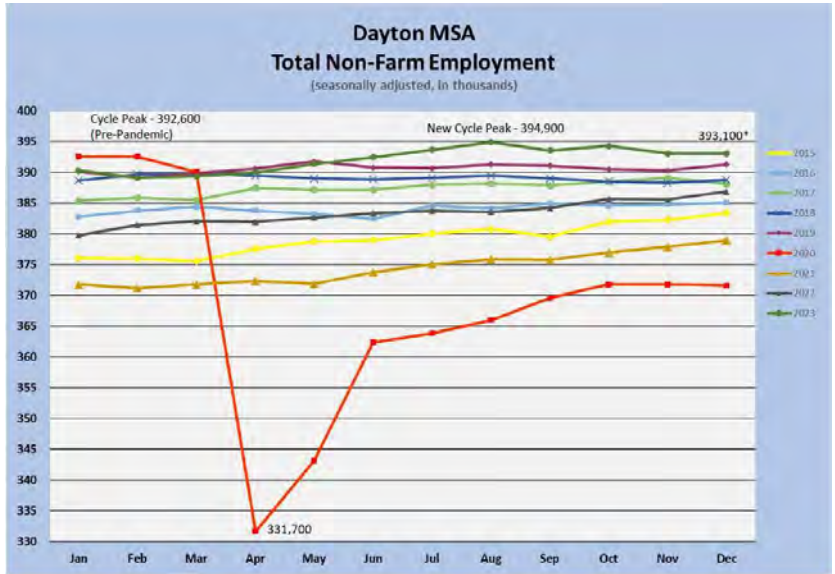
CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
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Economic Outlook and the 2023 Budget

Introduction

Major international events, sustained economic uncertainty, and social pressures were an integral part of 2023. In the United States (U.S.), and worldwide, the labor market and inflation remained top concerns post-pandemic. The U.S. unemployment rate dropped to a low of 3.3% in January 2023, growing slightly higher, to 3.7% by the end of December. Unemployment rates throughout 2023 were consistent with rates in 2019, prior to the pandemic-driven labor market instability. Similarly, employment rates recovered earnestly in the Dayton region during 2023. Stay-at-home orders during the pandemic and a stagnated economy resulted in the loss of almost 61,000 jobs from February 2020 to April 2020. Jobs in the Dayton region have since recovered, with Dayton’s employment levels growing to their new peak in 2023, surpassing the pre-pandemic cycle peak experienced in February of 2020. To combat record high inflation, the United States Federal Reserve began to increase interest rates starting in March of 2022, rising 11 times by July 2023.¹ As a result inflation began to stabilize in 2023, but consumer prices remained elevated following the consumer price index (CPI) peak in mid-2022.² Despite the CPI dropping, costs for goods and services remained high driving up costs for Dayton consumers and the City of Dayton (City) organization. The City’s 2023 contract and materials expenses grew by 7.8% compared to 2022; compounding the year-over-year growth of 11.3% experienced from 2021 to 2022.



As the economy began to stabilize in 2023, so did the City’s General Fund following record-high income tax revenue in 2021 and 2022. Overall, the General Fund’s revenues were nearly static, growing just 0.3% over 2022 in 2023. This year-over-year change in revenue was due to a combination of factors, including a slight decline in income tax revenues and an almost \$3.4 million reduction in the City’s Local Government Fund revenue due to state laws related to

¹ <https://www.bankrate.com/banking/federal-reserve/history-of-federal-funds-rate/>

² <https://www.usbank.com/investing/financial-perspectives/investing-insights/how-does-inflation-affect-investments.html>

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

reductions for municipalities that operate photo enforcement cameras. These declines were offset by higher interest earnings, as the City changed its investment strategy to align with higher returns on short-term investments, leading to a \$3.1 million increase over 2022.

Expenditures within the General Fund increased 2.0%, or \$4.2 million, over 2022 due to labor and supply inflation. While the post-pandemic impact of inflation began to slow, 2023's growth compounded the over 7.1% growth experienced in 2022 when compared to 2021. Like many other organizations, supply chain disruptions delayed the delivery of goods, but also increased demand resulting in higher costs.

Even as the economy began to stabilize, construction activity remained strong in the region. New construction and renovation projects are a boon to Dayton's economy, encouraging job opportunities in the region and improving the quality of life for residents. In 2023, the Dayton Children's Hospital completed construction on a new outpatient care center. The \$78 million project expands on outpatient and ambulatory services geared toward children's health. Dayton's AC Hotel by Marriott opened with 134 rooms, rooftop bar and full-service restaurant. The hotel is a new asset in Dayton's Water Street district, steps away from the Day Air Ballpark. Construction on The Monument Apartments concluded in 2023, with the creation of 124 market-rate units. The Dayton Development Coalition reported that in 2023 companies committed to create over 5,200 new jobs and kept more than 5,800 in the region.

These projects planned to generate more than \$383 million in new payroll and \$1 billion in capital investment.³

Employment and the Income Tax

The respective components of income tax are a proxy for the condition and direction of the local economy. Income tax is the largest source of revenue for the General Fund, comprising over 70% of total revenue. As noted above, income tax collections in 2023, net of refunds, declined slightly and were 0.8% or \$1.3 million lower than 2022. Income tax revenues have stabilized following record collections in 2021 and 2022. Receipts from business profits are unpredictable, often due to one-time delinquent payments, and experienced unprecedented growth in 2021, climbing 31.8% over 2020. This growth continued in 2022 as receipts grew nearly 33.6% over 2021, but began to stabilize in 2023, with business profits declining 34.4% from 2022. Despite growth in the withholdings portion of income tax, the decline experienced in business profit taxes led to 2023's income tax revenues being nearly static from 2022.

Gross withholding taxes, those withheld directly from employees' paychecks by their employer and distributed to the City, were up 4.1%, or \$5.4 million. As pandemic driven wage-inflation begins to wane, growth within this category is similar to the growth experienced in 2022. As these receipts are from those who working within Dayton, this category is especially impacted by changes within the economy and labor force. This category is also threatened by sustained work-from-home schedules, due to a potential increase in refunds requested by taxpayers who work outside of their principal place of employment in Dayton. Refunds peaked in 2022 due to higher requests following pandemic stay-at-home orders and increased remote work in the previous year. Refunds, while higher than their pre-pandemic amounts, dropped 32.1% in 2023. As this is an evolving situation, long-term work-from-home schedules may continue to impact refund requests and will be monitored accordingly.

³ Dayton Development Coalition 2023 Annual Report for 2024 Annual Meeting (<https://daytonregion.com/ddc/blog/2023-annual-meeting-economic-review>)

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Property Values and the Property Tax

In 2023, the City's General Fund property tax receipts were down 0.5%, just \$33,200 from the prior year. Property tax collections registered a 99.6% collection rate, consisting of 91.5% on current year collections and 8.1% from delinquent tax collections. Collections on delinquent taxes were higher in 2022, driven by the County's new tax lien program that encouraged residents to pay delinquent taxes, which have since returned to prior year average rates. The Montgomery County Auditor completed the triennial update of property values, which will impact the City's property tax revenue in 2024. The City can expect to realize higher property tax revenue as property values increased on average 34% for residential properties throughout the county. This increase in value followed record home sales and record home sale prices that peaked in 2022 and 2023. The growth in revenue for the City will not be in direct proportion to the property value increases, but we expect that revenue collected in 2024 will increase in concert with property value growth.⁴

Despite the home buying market slowing towards the end of 2023, the Dayton Area Board of realtors reported that the average sales price of homes in the Dayton area were 10.3% higher in December 2023 when compared to the same time in 2022. Conversely, actual home sales slowed in 2023 with sales down 11.5% and the cumulative sales volume down over \$200 million in line with fewer sales transactions.⁵ Elevated home prices and rising interest rates led to many in the region delaying home purchases. The demand for housing, whether through home ownership or rental properties, remains high for residents as just 34% of residents reported that they were satisfied with the affordability of housing options in the region according to responses from the 2022 Dayton Resident Opinion Survey.

The City, by leveraging American Rescue Plan Act (ARPA) funds, and through other community partnerships plans to support neighborhoods through blight removal, supporting the development of new housing structures, rehabilitation and repair programs, and the addition of other amenities to enhance the quality of life for Dayton residents.

State Revenue Sharing and the Local Government Fund

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.

Recent state law mandates that any municipality operating traffic enforcement camera (TEC) devices must report their annual revenue from the previous fiscal year to the state. The amount of reported revenue is then to be reduced from the municipalities preceding LGF revenue receipts. As the City operates traffic cameras, 2023 was the first year in which the City realized a reduction in revenue based on prior reported traffic camera revenue.

⁴ <https://www.daytondailynews.com/local/montgomery-county-property-taxes-up-58-on-average-16-in-some-areas/EVPEYQ4J7JECANN7DRRUO3RKQ/>

⁵ <https://daytonrealtors.org/news/dayton-area-home-sales-for-december-2023/>

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Following these TEC reductions, that began in August, the City received \$5.1 million of LGF revenue in 2023. Comparatively, the City received \$8.5 million in 2022 prior to the application of TEC reductions. As the TEC devices enhance the safety of Dayton residents, the City plans to continue to utilize them strategically and will continue to experience reductions to LGF revenues as long as the TEC devices remain. The efficacy of these devices will continually be monitored to ensure they are benefiting the safety of the community.

Other Sources

General Fund revenues in 2023 were nearly static, as revenues plateaued following unprecedented income tax revenue in 2021 and 2022. The decline of almost \$3.4 million in LGF receipts due to the application of state law on TEC devices, was offset by higher interest earnings for the City as investment income rose \$3.1 million over 2022. Of the City's ten revenue categories in the General Fund half performed better than prior year, with the other half bringing in less revenue than 2022.

Of note, waste collection revenue was 7.1% higher than 2022, driven by elevated inflation as rates for Dayton customers are increased in accordance with the Consumer Price Index of the prior year as defined by City Ordinance. Revenue for Emergency Medical Services (EMS) rose 13.3% over 2022, driven by a higher level of runs for service calls. Run activity declined during the pandemic due to stay-at-home orders but has since rebounded and peaked in 2023.

Overall, the City's General Fund revenue outperformed the original estimate of \$207.9 million. The final estimate of revenues was \$245.9 million and the actual receipts were \$245.0 million. As anticipated, income tax revenue stabilized, particularly in the business profits portion of the tax, but year-end revenues were bolstered by higher investment earnings. As the City anticipates income tax revenue to remain static for the foreseeable future, the revenue outlook for 2024 was prepared conservatively with input from Dayton business, government, and academic leaders.

The original General Fund revenue estimate for 2024 is \$211.6 million, \$1.3 million higher than 2023's actual receipts. Income tax revenue for 2024 is projected to be just over 1% higher than 2023's actual revenue. Revenue projections for 2024 account for the continued reduction of LGF annual revenues due to TEC device reductions, with just \$1.1 million of LGF revenue projected. Revenues in most other categories, are projected to have a modest inflationary increase or are projected to remain nearly static in 2024.

The City Workforce and Expenditure Trends

Overall, expenditures within the City's General Fund were 5.3%, or \$10.0 million, higher than 2022. Driven by growing personnel costs, inflationary cost increases to supplies and materials, and higher expenses for capital investments.

Staffing levels surpassed their pre-pandemic level, with the average number of filled General Fund positions increasing to 1,191 in 2023. 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, a survey conducted by the Mission Square Research Institute indicates that state and local government employment continues to lag about 2% behind pre-pandemic levels. Although more State and Local governments reported their full-time hiring increasing in 2023 compared to 2022, only 10-11% reported seeing resignations and retirements decrease from the prior year. For the employees who remain in public sector jobs, 77% reported people leaving has placed a strain on their workload and 59% reported they are considering leaving.⁶ The City struggled to fill vacant positions and continued to experience higher levels of turnover in 2023.

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The General Fund’s personnel expenses were 3.5%, or \$4.8 million, higher in 2023 when compared to 2022. This growth was in line with normal annual wage inflation and was lower than expected due to continued vacancies in the City’s Police and Public Works operations. Due to the City’s award of a public safety ARPA grant, \$4.1 million of police and fire personnel expenses for a total of 56 full-time employees were charged to the grant, reducing the General Fund’s personnel expenses for 2023. After accounting for this adjustment, expenses were just 0.9%, or \$1.2 million, higher in 2023. 2024 is the last year that the City can charge personnel expenses to the grant, and those related personnel expenses will fully return to the General Fund. The labor market continues to change, and like many other organizations, the City experienced vacancies that impacted operations, driving up overtime usage to ensure a continuation of services.

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 anticipates increased health insurance utilization. Thus, the City planned for a 3% increase in health insurance costs in 2023, and a 7% increase in 2024. Labor contracts for the 2024 - 2026 contract period have been executed with three of the City’s four bargaining groups, which include DPSU, Building and Construction Trades, and Firefighters, and resulted in a three-year wage package of 5%, 4% and 3%. Additionally, the agreements include a base wage adjustment, adding \$1,500 or \$2,080 to an employee’s year-end 2022 salary prior to calculating their 2024 start rate.

As mentioned previously, due to a combination of better-than-expected revenue performance specifically in the interest earnings and lower expenditures impacted by the ongoing vacancies and continued supply chain delays, the City was able to fund strategic one-time investments to minimize future financial strain. During 2023 investments totaled \$27 million, and \$22.7 million of these investments were to support capital investments, such as additional support for street maintenance and repair, technology investments, and equipment for Police, Fire and Public Works.

Overall, the General Fund’s expenses are projected to exceed 2024 revenue. As revenues for the General Fund are expected to remain relatively stable in 2024, several budget solutions were applied to ensure that the 2024 budget was balanced as expenditures continued to rise. These solutions, which include a combination of various revenue sources and the application of strategic budgeting initiatives, totaled \$14.5 million. Some of the solutions identified to balance the 2024 General Fund budget include increasing the transfer of cash from the City’s photo enforcement

fund. \$1.9 million of cash was transferred in 2023 to support front-line service capital expenses, and this transfer will increase to \$5 million in 2024. Additionally, 2024 is the last year that personnel costs for Police and Fire staff can be charged to a public safety services ARPA grant received by the City. The City also plans to balance the 2024 General Fund budget with the use of \$2.7 million with eligible ARPA revenue replacement. All planned solutions are listed in the table to the right.

Increased Vacancy Savings (based on actual trends)	\$800,000
Photo Enforcement Fund transfer	\$3,100,000
Police and Fire ARPA Grants	\$4,139,800
(1) Additional Worker's Compensation Rate Holiday	\$87,600
Investment Interest Earnings	\$3,500,000
Additional Revenue from Rebate	\$183,000
Use of ARPA	\$2,717,500
Total Major Budget Solutions for General Fund	\$14,527,900

The outlook for the City remains positive, but uncertainty surrounding the long-term health of the economy looms. High inflation, an evolving job market, and the potential economic downturn remain threats for the organization. City leadership are actively exploring options to ensure the organization is prepared to address potential threats in the near- and long-term.

⁶ <https://research.missionsq.org/posts/workforce/state-and-local-government-workforce-survey-2023>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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 8.7 weeks of operating reserves. Like many other jurisdictions, the City of Dayton has modified its cash reserve policy from a minimum of 6 weeks to 8.7 weeks and made sure to increase the cash reserve balance to better prepare for potential adverse economic impacts. Research by the Pew Charitable Trusts indicates that 39 states ended 2022 with a higher level of reserves, when compared to a year earlier. Ensuring strong fiscal reserves is an important tool utilized to manage budget uncertainty.⁷ At the end of 2023, the cash reserve was \$49.6 million, or \$12.4 million, over the minimum level of 8.7 weeks of operating funds.

The original General Fund budget for 2024 totals \$214.5 million, up 1.8% over 2023 accounting for planned wage growth, supply chain inflationary pressures and a return to pre-pandemic spending and investments, offset by assumed reductions for Fire and Police grant personnel cost offsets. 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.

⁷ <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/03/16/record-state-budget-reserves-buffer-against-mounting-fiscal-threats>

**BASIC
FINANCIAL STATEMENTS**

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments.	\$ 351,770,180	\$ 216,695,490	\$ 568,465,670
Cash with fiscal and escrow agents.	17,150	-	17,150
Receivables:			
Property and other local taxes	25,568,213	-	25,568,213
Municipal income taxes.	26,350,552	-	26,350,552
Accounts.	6,551,251	21,677,932	28,229,183
Payments in lieu of taxes.	1,308,386	-	1,308,386
Special assessments	220,515	1,773,102	1,993,617
Accrued interest	1,426,481	724,967	2,151,448
Due from other governments.	27,314,257	2,727,308	30,041,565
Loans receivable.	24,252,699	237,457	24,490,156
Leases.	3,334,456	1,599,562	4,934,018
Internal balance	144,310	(144,310)	-
Materials and supplies inventory.	939,967	2,384,792	3,324,759
Prepayments	189,812	65,087	254,899
Inventory held for resale.	479,646	-	479,646
Leases - noncurrent.	-	16,679,461	16,679,461
Net pension asset.	668,016	455,580	1,123,596
Restricted assets:			
Equity in pooled cash and investments.	203,703	1,341,532	1,545,235
Investments with fiscal and escrow agents.	270	13,452,902	13,453,172
Capital assets:			
Land, right of ways, and construction in progress.	79,469,234	95,300,609	174,769,843
Depreciable/amortizable capital assets, net.	418,678,401	530,994,601	949,673,002
Total capital assets, net.	498,147,635	626,295,210	1,124,442,845
Total assets	968,887,499	905,966,072	1,874,853,571
Deferred outflows of resources:			
Asset retirement obligations.	2,325,000	510,000	2,835,000
Unamortized deferred charges on debt refunding	484,604	1,050,762	1,535,366
Pension and OPEB.	112,671,183	30,496,062	143,167,245
Total deferred outflows of resources	115,480,787	32,056,824	147,537,611

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 1,739,401	\$ 2,512,065	\$ 4,251,466
Contracts payable	7,414,461	4,690,570	12,105,031
Retainage payable	835,670	1,881,088	2,716,758
Accrued wages and benefits payable	8,511,679	2,647,555	11,159,234
Due to other governments	6,004,221	2,213,362	8,217,583
Unearned revenue	37,406,791	-	37,406,791
Accrued interest payable	231,344	559,338	790,682
Payable from restricted assets:			
Utility deposits	-	255,287	255,287
Asset retirement obligation	2,325,000	510,000	2,835,000
Long-term liabilities:			
Due within one year	20,499,678	12,555,090	33,054,768
Due in more than one year	85,221,090	173,574,236	258,795,326
Net pension liability	278,978,198	62,715,561	341,693,759
Net OPEB liability	16,302,159	1,558,176	17,860,335
Total liabilities	465,469,692	265,672,328	731,142,020
Deferred inflows of resources:			
Unamortized deferred loss on refunding	1,959,518	-	1,959,518
Property taxes levied for the next fiscal year	18,770,815	-	18,770,815
Pension and OPEB	30,774,971	4,265,198	35,040,169
Leases	3,096,263	17,907,073	21,003,336
Payments in lieu of taxes levied for the next fiscal year	1,538,537	-	1,538,537
Total deferred inflows of resources	56,140,104	22,172,271	78,312,375
Net position:			
Net investment in capital assets	417,567,275	438,224,270	855,791,545
Restricted for:			
Permanent fund:			
Expendable	84,814	-	84,814
Nonexpendable	102,228	-	102,228
Capital projects	23,686,291	-	23,686,291
Debt service	30,600,265	14,539,147	45,139,412
Housing and urban development	4,687,925	-	4,687,925
Special projects	18,089,370	-	18,089,370
Street and highway projects	4,912,386	-	4,912,386
Other purposes	5,846,936	-	5,846,936
Pension	668,016	455,580	1,123,596
Unrestricted	56,512,984	196,959,300	253,472,284
Total net position	\$ 562,758,490	\$ 650,178,297	\$ 1,212,936,787

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Downtown	\$ 173,790	\$ 13,932	\$ -	\$ -
Youth, education and human services.	50,002	8,697	-	-
Community development and neighborhoods.	25,972,299	4,189,717	7,669,111	-
Economic development	13,668,046	2,743,486	1,141,056	-
Leadership and quality of life	96,071,386	7,475,407	49,390,510	8,202,946
Corporate responsibility.	23,548,118	4,344,973	3,504,020	-
Public safety and justice.	138,484,403	28,262,931	6,749,655	-
Interest and fiscal charges.	2,848,225	-	-	-
Total governmental activities	<u>300,816,269</u>	<u>47,039,143</u>	<u>68,454,352</u>	<u>8,202,946</u>
Business-type activities:				
Dayton International Airport.	39,686,041	25,541,278	-	18,306,507
Water.	55,028,694	55,638,873	-	636,500
Sewer.	38,737,619	41,157,625	-	-
Other business-type activities:				
Storm Water.	7,034,888	8,563,721	-	-
Total business-type activities	<u>140,487,242</u>	<u>130,901,497</u>	<u>-</u>	<u>18,943,007</u>
Total primary government	<u>\$ 441,303,511</u>	<u>\$ 177,940,640</u>	<u>\$ 68,454,352</u>	<u>\$ 27,145,953</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 (Restated).
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
\$ (159,858)	\$ -	\$ (159,858)
(41,305)	-	(41,305)
(14,113,471)	-	(14,113,471)
(9,783,504)	-	(9,783,504)
(31,002,523)	-	(31,002,523)
(15,699,125)	-	(15,699,125)
(103,471,817)	-	(103,471,817)
(2,848,225)	-	(2,848,225)
<u>(177,119,828)</u>	<u>-</u>	<u>(177,119,828)</u>
-	4,161,744	4,161,744
-	1,246,679	1,246,679
-	2,420,006	2,420,006
-	<u>1,528,833</u>	<u>1,528,833</u>
-	<u>9,357,262</u>	<u>9,357,262</u>
<u>(177,119,828)</u>	<u>9,357,262</u>	<u>(167,762,566)</u>
6,831,834	-	6,831,834
7,872,208	-	7,872,208
153,226,419	-	153,226,419
3,143,434	-	3,143,434
9,524,381		9,524,381
11,616,808	11,053,017	22,669,825
30,688,382	11,707,728	42,396,110
<u>222,903,466</u>	<u>22,760,745</u>	<u>245,664,211</u>
45,783,638	32,118,007	77,901,645
516,974,852	618,060,290	1,135,035,142
<u>\$ 562,758,490</u>	<u>\$ 650,178,297</u>	<u>\$ 1,212,936,787</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Assets:				
Equity in pooled cash and investments.	\$ 91,924,906	\$ 98,060,349	\$ 19,826,174	\$ 82,559,044
Cash with fiscal and escrow agents.	17,150	-	-	-
Receivables:				
Property and other local taxes.	11,541,400	-	14,026,813	-
Municipal income taxes.	26,350,552	-	-	-
Accounts.	6,316,866	-	87,500	-
Payments in lieu of taxes.	-	-	-	1,308,386
Special assessments	220,515	-	-	-
Interfund loans.	4,046,592	-	-	-
Accrued interest	876,113	416,111	-	-
Due from other governments.	2,455,410	-	148,679	7,652,931
Loans receivable.	14,905,000	-	7,075,000	-
Leases receivable.	2,843,102	-	266,506	224,848
Advances to other funds	776,000	-	-	500,000
Materials and supplies inventory.	446,058	-	-	-
Prepayments	173,351	-	-	9,740
Restricted assets:				
Equity in pooled cash and investments	203,703	-	-	-
Investments with fiscal and escrow agents.	-	-	-	270
Total assets	<u>\$ 163,096,718</u>	<u>\$ 98,476,460</u>	<u>\$ 41,430,672</u>	<u>\$ 92,255,219</u>
Liabilities:				
Accounts payable.	\$ 875,717	\$ 255,600	\$ 112	\$ 403,187
Contracts payable.	2,325,767	1,153,031	-	2,484,119
Accrued wages and benefits payable	8,095,867	204	-	10,076
Retainage payable	-	-	-	835,670
Compensated absences payable	15,597	-	-	-
Interfund loans payable.	-	-	-	-
Advances from other funds.	3,725,000	-	-	-
Due to other governments	5,430,895	58	-	409,513
Claims and judgments payable	20,245	-	-	-
Claimants payable	123,133	-	-	-
Unearned revenue	-	37,406,791	-	-
Total liabilities	<u>20,612,221</u>	<u>38,815,684</u>	<u>112</u>	<u>4,142,565</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	8,446,916	-	10,323,899	-
Delinquent property tax revenue not available.	3,029,657	-	3,702,914	-
Accrued interest not available	357,172	169,640	-	-
Special assessments revenue not available.	220,515	-	-	-
Miscellaneous revenue not available.	2,698,860	-	87,500	7,500
Income tax revenue not available	12,066,195	-	-	-
Intergovernmental revenue not available	1,402,112	-	148,679	4,420,720
Payments in lieu of taxes levied for the next fiscal year.	-	-	-	1,308,386
Leases.	2,821,211	-	275,052	230,151
Total deferred inflows of resources	<u>31,042,638</u>	<u>169,640</u>	<u>14,538,044</u>	<u>5,966,757</u>
Fund balances:				
Nonspendable	17,215,493	-	-	9,740
Restricted.	1,761,361	-	26,383,625	19,749,293
Committed	4,257,365	59,491,136	508,891	45,879,875
Assigned	34,402,674	-	-	16,506,989
Unassigned.	53,804,966	-	-	-
Total fund balances.	<u>111,441,859</u>	<u>59,491,136</u>	<u>26,892,516</u>	<u>82,145,897</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 163,096,718</u>	<u>\$ 98,476,460</u>	<u>\$ 41,430,672</u>	<u>\$ 92,255,219</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Non-Major Funds	Total Governmental Funds
\$ 23,342,797	\$ 315,713,270
-	17,150
-	25,568,213
-	26,350,552
145,502	6,549,868
-	1,308,386
-	220,515
-	4,046,592
53,143	1,345,367
17,019,071	27,276,091
2,272,699	24,252,699
-	3,334,456
-	1,276,000
493,909	939,967
2,991	186,082
-	203,703
-	270
<u>\$ 43,330,112</u>	<u>\$ 438,589,181</u>
\$ 111,536	\$ 1,646,152
1,451,544	7,414,461
194,375	8,300,522
-	835,670
-	15,597
4,046,592	4,046,592
776,000	4,501,000
61,888	5,902,354
-	20,245
-	123,133
-	37,406,791
<u>6,641,935</u>	<u>70,212,517</u>
-	18,770,815
-	6,732,571
21,666	548,478
-	220,515
112,050	2,905,910
-	12,066,195
15,251,563	21,223,074
-	1,308,386
-	3,326,414
<u>15,385,279</u>	<u>67,102,358</u>
599,128	17,824,361
24,542,009	72,436,288
-	110,137,267
-	50,909,663
(3,838,239)	49,966,727
<u>21,302,898</u>	<u>301,274,306</u>
<u>\$ 43,330,112</u>	<u>\$ 438,589,181</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		\$	301,274,306
<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.			497,207,772
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	\$	8,966,356	
Municipal income taxes receivable		12,066,195	
Accounts receivable		3,215,338	
Special assessments receivable		220,515	
Accrued interest receivable		548,478	
Due from other governments		18,679,861	
Total		43,696,743	43,696,743
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 \$(144,310) are:			29,617,218
4. In the statement of net position interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.			(231,344)
5. Unamortized deferred amounts on refundings are not recognized in the governmental funds.			(1,474,914)
6. Unamortized premiums on bond issuances are not recognized in the governmental funds.			(4,170,560)
7. The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds			615,583
8. The net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows and inflows are not reported in the governmental funds.			(192,352,738)
9. The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred outflows and inflows are not reported in the governmental funds.			(17,226,180)
10. Long-term liabilities, including bonds and compensated absences are not due and payable in the current period and therefore are not reported in the funds (exclusive of internal service fund liabilities).			
General obligation bonds		(50,270,000)	
Revenue bonds		(19,035,000)	
State Infrastructure Bank Loan		(1,836,967)	
State Infrastructure Bank Bonds		(2,415,000)	
Compensated absences		(12,312,368)	
Leases		(5,316,737)	
SBITA		(1,032,195)	
OPWC loans		(1,388,692)	
ODOD Loan		(590,437)	
Total		(94,197,396)	(94,197,396)
Net position of governmental activities		\$	562,758,490

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, 2023

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Revenues:				
Municipal income taxes	\$ 151,986,995	\$ -	\$ -	\$ -
Property and other taxes.	6,623,825	-	7,893,292	225,260
State shared taxes.	4,073,863	-	-	-
Charges for services.	30,681,674	6,143	309,213	277,205
Licenses and permits	3,719,069	-	-	-
Fines and forfeitures	5,732,090	-	-	-
Intergovernmental.	6,639,118	35,729,512	967,062	6,086,939
Special assessments	687,781	-	12,875	-
Investment income.	5,753,384	2,296,116	1,854	96
Payments in lieu of taxes.	-	-	-	3,143,434
Increase in fair value of investments.	5,217,612	2,358,544	-	-
Other	30,632,592	33,446	24,540	80,011
Total revenues	<u>251,748,003</u>	<u>40,423,761</u>	<u>9,208,836</u>	<u>9,812,945</u>
Expenditures:				
Current:				
Downtown	79,400	-	-	-
Youth, education and human services.	49,566	-	-	-
Community development and neighborhoods.	17,918,314	-	-	79,655
Economic development	7,124,406	-	-	1,366,840
Leadership and quality of life	29,881,530	36,436,894	-	1,586,724
Corporate responsibility.	18,846,145	3,121,987	253,646	9,525
Public safety and justice.	121,335,588	-	-	-
Capital outlay	1,635,696	-	-	23,547,950
Debt service:				
Principal retirement.	828,775	-	7,717,500	-
Interest and fiscal charges	96,135	-	3,304,715	-
Total expenditures	<u>197,795,555</u>	<u>39,558,881</u>	<u>11,275,861</u>	<u>26,590,694</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>53,952,448</u>	<u>864,880</u>	<u>(2,067,025)</u>	<u>(16,777,749)</u>
Other financing sources (uses):				
Transfers in	-	15,044,100	932,185	26,839,027
Transfers (out).	(42,761,637)	-	-	(343,511)
SBITA transaction.	1,474,364	-	-	-
Lease transaction	161,332	-	-	-
Total other financing sources (uses)	<u>(41,125,941)</u>	<u>15,044,100</u>	<u>932,185</u>	<u>26,495,516</u>
Net change in fund balances	12,826,507	15,908,980	(1,134,840)	9,717,767
Fund balances at beginning of year	98,615,352	43,582,156	28,027,356	72,428,130
Fund balances at end of year	<u>\$ 111,441,859</u>	<u>\$ 59,491,136</u>	<u>\$ 26,892,516</u>	<u>\$ 82,145,897</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Non-Major Funds	Total Governmental Funds
\$ -	\$ 151,986,995
-	14,742,377
8,928,533	13,002,396
588,472	31,862,707
28,227	3,747,296
587,233	6,319,323
13,887,276	63,309,907
124,514	825,170
237,200	8,288,650
-	3,143,434
352,302	7,928,458
4,452,024	35,222,613
<u>29,185,781</u>	<u>340,379,326</u>
-	79,400
-	49,566
6,945,580	24,943,549
4,531,451	13,022,697
11,428,396	79,333,544
848,771	23,080,074
8,017,067	129,352,655
-	25,183,646
-	8,546,275
-	3,400,850
<u>31,771,265</u>	<u>306,992,256</u>
<u>(2,585,484)</u>	<u>33,387,070</u>
289,836	43,105,148
-	(43,105,148)
-	1,474,364
-	161,332
<u>289,836</u>	<u>1,635,696</u>
(2,295,648)	35,022,766
23,598,546	266,251,540
<u>\$ 21,302,898</u>	<u>\$ 301,274,306</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, 2023

Net change in fund balances - total governmental funds		\$ 35,022,766
<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 (\$26,633,007) exceeded depreciation/amortization expense (\$17,343,805) in the current period (exclusive of internal service fund activity).		9,289,202
2. The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		244,613
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	\$ 1,239,424	
Property and other local taxes	2,195,450	
Charges for services	423,270	
Intergovernmental	1,782,383	
Special assessments	(337,531)	
Investment income	90,196	
Total	5,393,192	5,393,192
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.		8,546,275
5. Lease and SBITA transactions 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.		(1,635,696)
6. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is due to the following:		
Increase in accrued interest payable	29,486	
Amortization of bond premiums and discounts	265,195	
Amortization of deferred charges on refundings	257,944	
Total	552,625	552,625
7. Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		457,987
8. Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	18,625,412	
OPEB	384,196	
Total	19,009,608	19,009,608
9. Except for amounts reported as deferred inflows/outflows, changes in the net pension liability pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(33,452,457)	
OPEB	2,459,262	
Total	(30,993,195)	(30,993,195)
10. Internal service funds used by management to charge the costs of fleet management, fire fleet management, stores and reproduction, workers' compensation, health insurance, and plumbing to individual funds are not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue of the internal service funds, excluding internal balances of \$175,610, is allocated among governmental activities.		(103,739)
Change in net position of governmental activities		\$ 45,783,638

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, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes.	\$ 154,254,800	\$ 152,254,800	\$ 153,280,053	\$ 1,025,253
Property and other taxes.	6,513,700	7,071,400	6,602,470	(468,930)
State shared taxes.	6,145,200	5,276,000	5,176,344	(99,656)
Charges for services.	29,546,200	29,546,200	30,691,816	1,145,616
Licenses and permits.	3,349,500	3,349,500	3,719,189	369,689
Fines and forfeitures.	3,262,000	4,262,000	5,253,358	991,358
Intergovernmental.	4,284,400	4,284,400	4,623,961	339,561
Special assessments.	534,000	534,000	1,077,760	543,760
Investment income.	6,608,900	9,365,200	5,303,661	(4,061,539)
Other.	3,227,800	29,990,566	29,284,511	(706,055)
Total revenues.	<u>217,726,500</u>	<u>245,934,066</u>	<u>245,013,123</u>	<u>(920,943)</u>
Expenditures:				
Current:				
Downtown.	-	-	77,434	(77,434)
Youth, education and human services.	-	-	49,343	(49,343)
Community development and neighborhoods.	20,435,813	20,241,450	19,815,678	425,772
Economic development.	11,730,500	11,722,900	8,578,839	3,144,061
Leadership and quality of life.	35,258,864	33,712,022	32,946,857	765,165
Corporate responsibility.	20,689,000	19,578,400	19,208,716	369,684
Public safety and justice.	120,507,500	115,595,800	115,024,610	571,190
Other.	11,347,800	10,054,634	4,486,841	5,567,793
Total expenditures.	<u>219,969,477</u>	<u>210,905,206</u>	<u>200,188,318</u>	<u>10,716,888</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(2,242,977)</u>	<u>35,028,860</u>	<u>44,824,805</u>	<u>9,795,945</u>
Other financing uses:				
Transfers (out).	(11,854,800)	(44,479,600)	(42,716,855)	1,762,745
Total other financing uses.	<u>(11,854,800)</u>	<u>(44,479,600)</u>	<u>(42,716,855)</u>	<u>1,762,745</u>
Net change in fund balances.	(14,097,777)	(9,450,740)	2,107,950	11,558,690
Fund balance at beginning of year.	100,681,905	100,681,905	100,681,905	-
Prior year encumbrances appropriated.	3,435,896	3,435,896	3,435,896	-
Balance Sheet Adjustments.	199,674	199,674	199,674	-
Fund balance at end of year.	<u>\$ 90,219,698</u>	<u>\$ 94,866,735</u>	<u>\$ 106,425,425</u>	<u>\$ 11,558,690</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 2,174,244	\$ 2,174,244
Total revenues	<u>-</u>	<u>-</u>	<u>2,174,244</u>	<u>2,174,244</u>
Expenditures:				
Current:				
Other.	120,324,248	93,771,248	63,495,793	30,275,456
Total expenditures	<u>120,324,248</u>	<u>93,771,248</u>	<u>63,495,793</u>	<u>30,275,456</u>
Excess of revenues over expenditures.	<u>(120,324,248)</u>	<u>(93,771,248)</u>	<u>(61,321,549)</u>	<u>32,449,700</u>
Other financing sources:				
Transfers in	-	15,044,100	15,044,100	-
Transfers (out)	<u>-</u>	<u>(26,553,000)</u>	<u>-</u>	<u>26,553,000</u>
Total other financing sources	<u>-</u>	<u>(11,508,900)</u>	<u>15,044,100</u>	<u>26,553,000</u>
Net change in fund balances	(120,324,248)	(105,280,148)	(46,277,449)	59,002,700
Fund balance at beginning of year	120,933,414	120,933,414	120,933,414	-
Prior year encumbrances appropriated	25,317,598	25,317,598	25,317,598	-
Fund balance at end of year	<u>\$ 25,926,763</u>	<u>\$ 40,970,863</u>	<u>\$ 99,973,563</u>	<u>\$ 59,002,700</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, 2023

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 53,870,808	\$ 95,232,510	\$ 42,578,783	\$ 25,013,389
Receivables:				
Accounts	6,697,887	7,361,952	5,945,741	1,672,352
Special assessments	-	670,896	503,762	598,444
Accrued interest	210,745	277,766	155,988	80,468
Due from other funds	-	4,225,086	-	-
Due from other governments	2,200,403	526,905	-	-
Loans receivable	-	237,457	-	-
Leases	1,375,294	224,268	-	-
Advances to other funds	-	-	-	-
Materials and supplies inventory	190,987	2,193,805	-	-
Inventory held for resale	-	-	-	-
Prepayments	7,623	57,464	-	-
Total current assets	<u>64,553,747</u>	<u>111,008,109</u>	<u>49,184,274</u>	<u>27,364,653</u>
Noncurrent assets:				
Net pension asset	69,656	231,267	117,769	36,888
Leases	16,538,710	140,751	-	-
Capital assets:				
Land and construction in progress	46,179,194	13,694,561	35,362,789	64,065
Depreciable capital assets, net	231,583,468	164,873,085	119,786,386	14,751,662
Total capital assets, net	<u>277,762,662</u>	<u>178,567,646</u>	<u>155,149,175</u>	<u>14,815,727</u>
Restricted assets:				
Equity in pooled cash and investments	1,086,245	255,287	-	-
Investments with fiscal and escrow agents	6,725,741	4,345,282	2,381,879	-
Total restricted assets	<u>7,811,986</u>	<u>4,600,569</u>	<u>2,381,879</u>	<u>-</u>
Total noncurrent assets	<u>302,183,014</u>	<u>183,540,233</u>	<u>157,648,823</u>	<u>14,852,615</u>
Total assets	<u>366,736,761</u>	<u>294,548,342</u>	<u>206,833,097</u>	<u>42,217,268</u>
Deferred outflows of resources:				
Asset retirement obligation	420,000	65,000	25,000	-
Unamortized deferred charges on debt refunding	785,067	131,493	134,202	-
Pension	5,610,795	12,547,295	6,269,432	1,959,862
OPEB	897,784	1,939,036	968,938	302,920
Total deferred outflows of resources	<u>7,713,646</u>	<u>14,682,824</u>	<u>7,397,572</u>	<u>2,262,782</u>
Total assets and deferred outflows of resources	<u>374,450,407</u>	<u>309,231,166</u>	<u>214,230,669</u>	<u>44,480,050</u>

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 216,695,490	\$ 36,056,910
21,677,932	1,383
1,773,102	-
724,967	81,114
4,225,086	-
2,727,308	38,166
237,457	-
1,599,562	-
-	3,225,000
2,384,792	-
-	479,646
65,087	3,730
<u>252,110,783</u>	<u>39,885,949</u>
455,580	52,433
16,679,461	-
95,300,609	75,000
<u>530,994,601</u>	<u>864,863</u>
<u>626,295,210</u>	<u>939,863</u>
1,341,532	-
<u>13,452,902</u>	<u>-</u>
<u>14,794,434</u>	<u>-</u>
<u>658,224,685</u>	<u>992,296</u>
<u>910,335,468</u>	<u>40,878,245</u>
510,000	2,070,000
1,050,762	-
26,387,384	3,492,527
4,108,678	556,500
<u>32,056,824</u>	<u>6,119,027</u>
<u>942,392,292</u>	<u>46,997,272</u>

- - Continued

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Liabilities:				
Current liabilities:				
Accounts payable	555,263	1,153,907	726,638	76,257
Contracts payable	627,779	1,617,606	2,420,508	24,677
Retainage payable	829,994	139,233	905,154	6,707
Accrued wages and benefits payable	521,603	1,267,811	657,536	200,605
Due to other funds	-	-	3,661,079	564,007
Due to other governments	1,416,611	617,830	139,261	39,660
Accrued interest payable	227,649	212,978	109,330	9,381
Compensated absences payable - current	462,255	1,249,277	596,602	189,124
SBITA	34,663	288,287	-	59,022
General obligation bonds payable	680,000	780,000	545,000	160,000
Revenue bonds payable	3,455,000	2,085,000	1,350,000	-
OWDA loans payable	-	-	390,154	-
Other loans payable	227,444	-	-	-
Claims and judgments payable	-	-	-	-
Lease payable	-	3,262	-	-
Asset retirement obligations	420,000	65,000	25,000	-
Payable from restricted assets:				
Utility deposits	-	255,287	-	-
Total current liabilities	9,458,261	9,735,478	11,526,262	1,329,440
Long-term liabilities:				
Compensated absences payable	200,433	540,902	258,685	82,004
General obligation bonds payable	4,134,130	10,112,549	6,727,002	2,380,000
Revenue bonds payable	55,810,488	46,412,968	25,713,316	-
OWDA loans payable	-	5,322	17,410,818	-
Other loans payable	3,575,966	-	-	-
SBITA	-	141,149	-	56,361
Leases payable	-	12,143	-	-
Net OPEB liability	481,305	656,078	320,427	100,366
Net pension liability	12,831,900	30,036,582	15,113,224	4,733,855
Claims and judgments payable	-	-	-	-
Total long-term liabilities	77,034,222	87,917,693	65,543,472	7,352,586
Total liabilities	86,492,483	97,653,171	77,069,734	8,682,026
Deferred inflows of resources:				
Leases	17,532,567	374,506	-	-
OPEB	680,247	260,475	109,516	38,205
Pension	2,048,035	611,507	347,314	169,899
Total deferred inflows of resources	20,260,849	1,246,488	456,830	208,104
Total liabilities and deferred inflows of resources.	106,753,332	98,899,659	77,526,564	8,890,130
Net position:				
Net investment in capital assets	209,172,265	117,101,620	99,821,425	12,128,960
Restricted for pension	69,656	231,267	117,769	36,888
Restricted for debt service	7,811,986	4,345,282	2,381,879	-
Unrestricted	50,643,168	88,653,338	34,383,032	23,424,072
Total net position	\$ 267,697,075	\$ 210,331,507	\$ 136,704,105	\$ 35,589,920

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
2,512,065	93,249
4,690,570	-
1,881,088	-
2,647,555	211,157
4,225,086	-
2,213,362	101,867
559,338	-
2,497,258	263,373
381,972	-
2,165,000	-
6,890,000	-
390,154	-
227,444	-
-	3,560,853
3,262	-
510,000	2,070,000
255,287	-
<u>32,049,441</u>	<u>6,300,499</u>
1,082,024	114,198
23,353,681	-
127,936,772	-
17,416,140	-
3,575,966	-
197,510	-
12,143	-
1,558,176	188,910
62,715,561	7,345,836
-	3,255,413
<u>237,847,973</u>	<u>10,904,357</u>
<u>269,897,414</u>	<u>17,204,856</u>
17,907,073	-
1,088,443	185,526
3,176,755	133,982
<u>22,172,271</u>	<u>319,508</u>
<u>292,069,685</u>	<u>17,524,364</u>
438,224,270	939,863
455,580	52,433
14,539,147	-
<u>197,103,610</u>	<u>28,480,612</u>
650,322,607	<u>\$ 29,472,908</u>
(144,310)	
<u>\$ 650,178,297</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Operating revenues:				
Charges for services	\$ 25,541,278	\$ 55,638,873	\$ 41,157,625	\$ 8,563,721
Other operating revenues	4,181,117	5,699,863	1,608,477	215,423
Total operating revenues.	<u>29,722,395</u>	<u>61,338,736</u>	<u>42,766,102</u>	<u>8,779,144</u>
Operating expenses:				
Personnel services	6,920,091	17,948,205	9,086,953	2,862,126
Fringe benefits.	1,266,700	7,247,521	3,945,449	1,254,091
Contract services.	7,669,492	5,557,888	8,853,993	1,162,091
Materials and supplies.	889,686	5,959,651	5,216,802	296,190
Cost of sales.	-	-	-	-
Utilities	1,668,398	4,816,402	2,156,433	51,566
Claims expense	-	-	-	-
Depreciation/amortization.	15,937,672	9,058,412	7,434,880	909,907
Other	2,741,209	2,082,302	1,098,434	416,268
Total operating expenses.	<u>37,093,248</u>	<u>52,670,381</u>	<u>37,792,944</u>	<u>6,952,239</u>
Operating income (loss)	<u>(7,370,853)</u>	<u>8,668,355</u>	<u>4,973,158</u>	<u>1,826,905</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(2,638,229)	(2,435,149)	(993,818)	(86,844)
Gain on sale of capital assets.	2,848	-	-	-
Interest income.	1,951,000	2,856,430	1,245,410	589,659
Increase in fair value of investments.	1,285,199	1,669,747	979,031	476,541
Total nonoperating revenues (expenses).	<u>600,818</u>	<u>2,091,028</u>	<u>1,230,623</u>	<u>979,356</u>
Income (loss) before contributions.	(6,770,035)	10,759,383	6,203,781	2,806,261
Capital contributions.	<u>18,306,507</u>	<u>636,500</u>	<u>-</u>	<u>-</u>
Change in net position	11,536,472	11,395,883	6,203,781	2,806,261
Net position at beginning of year (Restated).	<u>256,160,603</u>	<u>198,935,624</u>	<u>130,500,324</u>	<u>32,783,659</u>
Net position at end of year	<u>\$ 267,697,075</u>	<u>\$ 210,331,507</u>	<u>\$ 136,704,105</u>	<u>\$ 35,589,920</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
\$ 130,901,497	\$ 43,113,822
11,704,880	561,361
<u>142,606,377</u>	<u>43,675,183</u>
36,817,375	4,327,402
13,713,761	1,911,249
23,243,464	6,432,792
12,362,329	517,754
-	6,171,614
8,692,799	22,495
-	24,874,690
33,340,871	75,998
6,338,213	314,519
<u>134,508,812</u>	<u>44,648,513</u>
<u>8,097,565</u>	<u>(973,330)</u>
(6,154,040)	-
2,848	-
6,642,499	543,539
4,410,518	501,662
<u>4,901,825</u>	<u>1,045,201</u>
12,999,390	71,871
<u>18,943,007</u>	<u>-</u>
31,942,397	71,871
	<u>29,401,037</u>
	<u>\$ 29,472,908</u>
<u>175,610</u>	
<u>\$ 32,118,007</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Cash flows from operating activities:				
Cash received from customers.	\$ 22,959,657	\$ 54,733,706	\$ 39,758,099	\$ 8,606,303
Cash received from interfund services provided.	-	-	-	-
Cash received from other operations	1,898,705	5,773,335	1,608,477	215,423
Cash payments for personnel services.	(6,902,378)	(17,973,814)	(9,092,082)	(2,842,664)
Cash payments for fringe benefits.	(2,671,892)	(7,008,659)	(3,585,709)	(1,205,840)
Cash payments for contractual services	(7,247,633)	(6,391,600)	(8,478,236)	(1,452,761)
Cash payments for materials and supplies	(862,780)	(6,328,008)	(5,272,090)	(285,516)
Cash payments for cost of goods sold.	-	-	-	-
Cash payments for utilities.	(1,792,002)	(5,293,829)	(2,738,845)	(56,447)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(2,738,231)	(2,066,965)	(1,093,197)	(416,430)
Net cash provided by (used in) operating activities.	<u>2,643,446</u>	<u>15,444,166</u>	<u>11,106,417</u>	<u>2,562,068</u>
Cash flows from noncapital financing activities:				
Cash received from loans to external party.	-	110,664	-	-
Cash received from interfund loans.	-	-	-	-
Net cash provided by noncapital financing activities.	<u>-</u>	<u>110,664</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Capital contributions.	19,659,623	783,360	-	-
Cash received from the sale of capital assets.	2,848	-	-	-
Acquisition of capital assets	(13,457,216)	(8,320,311)	(17,995,609)	(382,572)
Principal paid on loans.	(222,389)	-	(514,558)	-
Interest paid on loans.	(78,486)	-	(7,226)	-
Principal paid on SBITAs.	(94,209)	(698,617)	-	(59,022)
Principal paid on leases.	-	(1,714)	-	-
Interest paid on leases.	-	(111)	-	-
Principal paid on bonds.	(3,980,000)	(2,775,000)	(1,850,000)	(160,000)
Interest paid on bonds.	(2,640,713)	(2,653,060)	(1,176,976)	(84,505)
Loan proceeds.	-	5,322	3,102,408	-
Net cash provided by (used in) capital and related financing activities.	<u>(810,542)</u>	<u>(13,660,131)</u>	<u>(18,441,961)</u>	<u>(686,099)</u>
Cash flows from investing activities:				
Interest received and fair value adjustment	<u>3,155,496</u>	<u>4,402,005</u>	<u>2,153,456</u>	<u>1,029,582</u>
Net cash provided by investing activities.	<u>3,155,496</u>	<u>4,402,005</u>	<u>2,153,456</u>	<u>1,029,582</u>
Net increase (decrease) in cash and investments.	4,988,400	6,296,704	(5,182,088)	2,905,551
Cash and investments at beginning of year.	<u>56,694,394</u>	<u>93,536,375</u>	<u>50,142,750</u>	<u>22,107,838</u>
Cash and investments at end of year.	<u>\$ 61,682,794</u>	<u>\$ 99,833,079</u>	<u>\$ 44,960,662</u>	<u>\$ 25,013,389</u>

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 126,057,765	\$ -
-	43,156,375
9,495,940	561,361
(36,810,938)	(4,260,936)
(14,472,100)	(1,675,350)
(23,570,230)	(6,489,520)
(12,748,394)	(509,200)
-	(6,154,218)
(9,881,123)	(26,037)
-	(24,808,117)
(6,314,823)	(317,149)
<u>31,756,097</u>	<u>(522,791)</u>
110,664	-
-	<u>1,550,000</u>
<u>110,664</u>	<u>1,550,000</u>
20,442,983	-
2,848	-
(40,155,708)	-
(736,947)	-
(85,712)	-
(851,848)	-
(1,714)	-
(111)	-
(8,765,000)	-
(6,555,254)	-
3,107,730	-
<u>(33,598,733)</u>	<u>-</u>
<u>10,740,539</u>	<u>1,008,289</u>
<u>10,740,539</u>	<u>1,008,289</u>
9,008,567	2,035,498
222,481,357	34,021,412
<u>\$ 231,489,924</u>	<u>\$ 36,056,910</u>

- - Continued

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	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)	\$ (7,370,853)	\$ 8,668,355	\$ 4,973,158	\$ 1,826,905
Adjustments:				
Depreciation.	15,937,672	9,058,412	7,434,880	909,907
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable.	(4,608,311)	(329,188)	(1,154,939)	82,543
Net pension asset.	58,585	189,787	100,705	33,109
Net OPEB asset.	992,001	3,257,034	1,689,996	541,459
Deferred outflows - pension.	(3,585,362)	(8,360,914)	(4,177,985)	(1,294,375)
Deferred outflows - OPEB.	(638,526)	(1,873,768)	(951,108)	(292,296)
Leases receivable.	(3,857,550)	104,445	-	-
Due from other funds.	-	(42,959)	-	-
Due from other governments.	(126,160)	(319,744)	-	-
Prepayments.	23,311	85,150	2,266	-
Special assessments receivable.	-	(182,940)	(244,587)	(39,961)
Materials and supplies inventory.	(9,638)	-	-	-
Inventory held for resale.	-	(53,933)	-	-
Accounts payable.	461,955	844	592,634	59,928
Contracts payable.	(136,038)	(1,463,202)	91,659	(33,707)
Retainage payable.	(2,953)	(307,393)	45,637	(31,422)
Accrued wages and benefits.	53,659	145,084	54,199	40,665
Due to other funds.	-	-	314,340	(271,381)
Net pension liability.	8,081,415	20,725,003	10,391,173	3,220,952
Net OPEB liability.	134,147	619,053	320,427	100,366
Deferred inflows - pension.	(5,449,357)	(11,162,935)	(5,447,493)	(1,757,291)
Deferred inflows - OPEB.	(1,079,065)	(3,299,571)	(1,639,261)	(531,696)
Deferred inflows - leases	3,727,988	(94,323)	-	-
Due to other governments.	24,683	113,059	(1,285,135)	(4,932)
Compensated absences payable.	11,843	(62,331)	(4,149)	-
Utility deposits.	-	31,141	-	-
Claims payable.	-	-	-	3,295
Net cash provided by (used in) operating activities	<u>\$ 2,643,446</u>	<u>\$ 15,444,166</u>	<u>\$ 11,106,417</u>	<u>\$ 2,562,068</u>

Non-cash transactions:

During 2023, the Dayton International Airport and the Water fund received \$3,705,078 and \$214,000 respectively in capital grants, which were recognized as receivables in 2022. Receivables in the amount of \$2,351,962 and \$37,140 respectively have been recorded for capital grants in 2023 for the Dayton International Airport and the Water fund.

At December 31, 2023, the Dayton International Airport, Water, Sewer and Storm Water enterprise funds purchased \$924,386, \$2,165,074, \$3,369,801, and \$82,256 respectively, in capital assets on account. 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.

During 2023, the City refinanced \$4,449,112 in OWDA loans in the Sewer fund.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 8,097,565	\$ (973,330)
33,340,871	75,998
(6,009,895)	(676)
382,186	29,318
6,480,490	632,368
(17,418,636)	(2,105,785)
(3,755,698)	(355,077)
(3,753,105)	-
(42,959)	-
(445,904)	43,229
110,727	565
(467,488)	-
(9,638)	-
(53,933)	29,932
1,115,361	(106,930)
(1,541,288)	(4,361)
(296,131)	-
293,607	45,177
42,959	-
42,418,543	5,173,534
1,173,993	117,786
(23,817,076)	(2,562,721)
(6,549,593)	(736,216)
3,633,665	-
(1,152,325)	59,114
(54,637)	48,711
31,141	-
3,295	66,573
<u>\$ 31,756,097</u>	<u>\$ (522,791)</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Custodial
Assets:	
Equity in pooled cash and investments	\$ 4,777,302
Cash with fiscal agent	805,772
Investments	1,354,810
Receivables (net of allowances for uncollectibles):	
Special assessments.	19,228,448
Income taxes	139,145
Total assets	26,305,477
Liabilities:	
Due to other governments	30,456
Due to others	289,634
Total liabilities	320,090
Net position:	
Restricted for individuals, organizations and other governments .	25,985,387
Total net position	\$ 25,985,387

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, 2023

	Custodial
Additions:	
From local sources:	
Amounts received as fiscal agent	\$ 698,716
Licenses, permits and fees for other governments	86,227
Fines and forfeitures for other governments	6,786,453
Income tax collection for other governments	867,306
Earnings on investments	44,875
Fair value adjustment.	15,474
Total additions	8,499,051
Deductions:	
Distributions to the State of Ohio	422,926
Distributions of state funds to other governments	6,383,322
Distributions to individuals	721,768
Licenses, permits and fees distributions to other governments	44,163
Income tax distributions to other governments	430,301
Special assessment distributions to other governments	5,965,453
Other custodial fund disbursements	10,126
Total deductions	13,978,059
Net change in fiduciary net position	(5,479,008)
Net position beginning of year.	31,464,395
Net position end of year	\$ 25,985,387

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, 2023

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 \$72,951 for the operation of the Commission during 2023. 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, 2023

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 \$33,523 for the operation of the Alliance during 2023. 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 \$554,825 in revenues through the JEDD in 2023. 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 \$421,921 in revenues through the JEDD in 2023.

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 2023. 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, 2023

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 2023. 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 2023, the City contributed \$19,770 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 2023, 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 2023, the City contributed \$196,905 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, 2023

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 \$6,316,015 to Preschool Promise during 2023. 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. This City loaned an additional \$2 million to CityWide for the Arcade in fiscal year 2023. Financial information can be obtained from Bejoy John, Board Member, 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, but which were levied to finance 2024 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, 2023

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 2023.

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, 2023

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 2023, 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, 2023. 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 2023, 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 2023 was \$5,753,384 in the general fund, which includes \$3,651,360 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, 2023

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, equipment and software. 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, 2023

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

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2023, 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, leases, SBITAs 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, 2023

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, 2023

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

V. Asset Retirement Obligations

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

W. Fair Value Measurements

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

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/Restatement of Net Position

For 2023, the City has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the City's 2023 financial statements.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order implement GASB Statement No. 96. The governmental activities and business-type activities have been restated as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Net position as previously reported	\$ 516,413,974	\$ 618,050,436
Right to use: Software	781,427	1,214,018
SBITA liability	<u>(220,549)</u>	<u>(1,204,164)</u>
Restated net position at January 1, 2023	<u>\$ 516,974,852</u>	<u>\$ 618,060,290</u>

Business-type Activities - Enterprise Funds

	Dayton International		
	<u>Airport</u>	<u>Water</u>	<u>Storm</u>
Net position as previously reported	\$ 256,154,034	\$ 198,932,339	\$ 130,500,324
Right to use: Software	114,293	925,320	174,405
SBITA liability	<u>(107,724)</u>	<u>(922,035)</u>	<u>(174,405)</u>
Restated net position at January 1, 2023	<u>\$ 256,160,603</u>	<u>\$ 198,935,624</u>	<u>\$ 130,500,324</u>

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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 Balance

Fund balances at December 31, 2023 included the following individual fund deficit:

	<u>Deficit</u>
<u>Nonmajor governmental funds</u>	
Miscellaneous Grants	\$ 3,836,230

The general fund is liable for any deficit in this fund. The deficit cash balance and fund balance resulted from grant expenses incurred but not yet reimbursed.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

Interim deposits are deposits in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

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

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

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

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

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

A. Cash on Hand

At year-end, the City had \$46,700 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 \$270 held by Huntington Bank related to the State Infrastructure Bank bonds.

C. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was \$15,814,279. As of December 31, 2023, \$25,842,484 of the City’s bank balance of \$26,342,484 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 2023, the City’s financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

D. Investments

As of December 31, 2023, the City had the following investments and maturities:

Measurement/ Investment type	Investment Maturities					
	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FFCB	\$ 71,217,152	\$ 6,653,052	\$ 11,601,485	\$ 17,151,551	\$ 4,201,680	\$ 31,609,384
FHLB	81,581,932	7,329,045	5,743,440	9,163,085	-	59,346,362
FNMA	30,550,144	1,955,760	10,866,005	2,107,379	13,771,720	1,849,280
FMCC	36,690,195	2,962,680	15,840,505	2,356,675	11,410,155	4,120,180
Agency Bonds	36,366,641	-	-	-	-	36,366,641
U.S. Treasury Notes	160,025,163	6,740,266	8,308,069	15,099,180	9,082,120	120,795,528
Municipal Bond	846,593	-	846,593	-	-	-
Negotiable CDs	2,119,417	-	243,641	1,875,776	-	-
Commercial Paper	23,806,195	21,540,701	2,265,494	-	-	-
Corporate Notes	10,802,693	-	-	2,425,475	4,453,020	3,924,198
<i>Amortized Cost:</i>						
Bond Fund						
Money Market	1,354,810	1,354,810	-	-	-	-
U.S. Government						
Money Market	14,402,292	14,402,292	-	-	-	-
STAR Ohio	104,574,052	104,574,052	-	-	-	-
Total	<u>\$ 574,337,279</u>	<u>\$ 167,512,658</u>	<u>\$ 55,715,232</u>	<u>\$ 50,179,121</u>	<u>\$ 42,918,695</u>	<u>\$ 258,011,573</u>

The weighted average maturity of investments is 1.89 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, 2023

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, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 71,217,152	12.40%
Commercial Paper	23,806,195	4.14%
Corporate Notes	10,802,693	1.88%
FHLB	81,581,932	14.20%
FNMA	30,550,144	5.32%
FMCC	36,690,195	6.39%
Agency Bonds	36,366,641	6.33%
U.S. Treasury Notes	160,025,163	27.86%
Municipal Bond	846,593	0.15%
Negotiable CDs	2,119,417	0.37%
<i>Amortized Cost:</i>		
Bond Fund Money Market	1,354,810	0.24%
US Government Money Market	14,402,292	2.51%
STAR Ohio	104,574,052	18.21%
Total	<u>\$ 574,337,279</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, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 15,814,279
Investments	559,529,567
Investments - Cash with fiscal agent	14,807,712
Cash on hand	46,700
Cash in segregated accounts	203,703
Cash with fiscal agent	<u>17,150</u>
Total	<u>\$ 590,419,111</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 351,991,303
Business type activities	231,489,924
Custodial funds	<u>6,937,884</u>
Total	<u>\$ 590,419,111</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5 - INTERFUND TRANSACTIONS

A. Due from/to other funds consisted of the following at December 31, 2023, as reported on the fund statements:

<u>Due to</u>	Due from		<u>Total</u>
	<u>Sewer</u>	Nonmajor <u>Enterprise</u>	
Water	\$ 3,661,079	\$ 564,007	\$ 4,225,086

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, 2023, as reported on the fund statements:

<u>Interfund loan receivable</u>	<u>Interfund loan payable</u>	<u>Total</u>
General	Nonmajor governmental fund	<u>\$ 4,046,592</u>

Interfund loans between governmental funds are eliminated on the government-wide financial statements. The interfund loan of \$4,046,592 between the general fund and the miscellaneous grants 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, 2023, consisted of the following, as reported on the fund statements:

<u>Transfer from</u>	Transfer to				<u>Total</u>
	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental</u>	
General	\$15,044,100	\$ 588,674	\$ 26,839,027	\$ 289,836	\$ 42,761,637
Capital Improvement	<u>-</u>	<u>343,511</u>	<u>-</u>	<u>-</u>	<u>343,511</u>
Total	<u>\$15,044,100</u>	<u>\$ 932,185</u>	<u>\$ 26,839,027</u>	<u>\$ 289,836</u>	<u>\$ 43,105,148</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, 2023

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The \$107,884 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 \$181,952 transfer to the HUD fund (a nonmajor governmental fund) was to fund the City’s share of projects funded through HUD grants. The \$588,674 transfer from the general fund to the debt service fund was for principal payments on outstanding debt. The \$26,839,027 transfer from the general fund to the capital improvements fund was to provide funding for the City’s capital improvement plan. The \$343,511 transfer from the capital improvement fund to the debt service fund was for principal payments on outstanding debt. The \$15,044,100 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, 2023, 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>3,225,000</u>
Total		<u>\$ 4,501,000</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 \$3,225,000 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 \$1,351,560 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. 2023 public utility property taxes became a lien at December 31, 2022, are levied after October 1, 2023, and are collected in 2024 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, 2023

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, 2023 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 2023 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, 2023 was \$10.00 per \$1,000 of assessed value. The assessed values of real and public utility property for tax year 2023 are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 1,322,425,080
Commercial/industrial	541,216,490
<u>Public utility</u>	
Real	2,152,090
Personal	<u>167,003,600</u>
Total assessed value	<u><u>\$ 2,032,797,260</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 2023, as reported in the governmental fund financial statements on the modified accrual basis of accounting, was \$151,986,995.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - TAX INCREMENT FINANCING DISTRICT (TIF)

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

PILOT revenue was \$3,143,434 in 2023 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, 2023, 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 11 parcels that have taxes abated through Ezone agreements and 341 parcels that have taxes abated through CRAs. During 2023, the City’s property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	City <u>Taxes Abated</u>
CRA	\$ 917,945
Ezone	<u>44,701</u>
Total	<u>\$ 962,646</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10 - RECEIVABLES

Receivables at December 31, 2023, 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, 2023, as well as intended to finance 2023 operations.

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

Governmental activities:

Property and other local taxes	\$	25,568,213
Municipal income taxes		26,350,552
Accounts		6,551,251
Payments in lieu of taxes		1,308,386
Special assessments		220,515
Accrued interest		1,426,481
Due from other governments		27,314,257
Loans		24,252,699
Leases		3,354,456

Business-type activities:

Accounts		21,677,932
Special assessments		1,773,102
Accrued interest		724,967
Due from other governments		2,727,308
Loans		237,457
Leases		1,599,562

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, 2023, the amount owed to the City was \$24,254,047. 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 \$7,075,000 for this loan and considers \$17,179,047 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, 2023**

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 \$917,248 in loan payments during 2023, and made \$2,000,000 in loans during 2023.

A summary of the loans receivable outstanding by project are as follows:

<u>Project Name</u>	<u>Loan Receivable</u>
Arcade	\$ 13,000,000
Wellfield	237,457
Phoenix Redevelopment	2,272,699
Tech Town	1,355,000
Tech Town 2	550,000
Total	<u>\$ 17,415,156</u>

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - CAPITAL ASSETS

A. Due to the implementation of GASB Statement No. 96 (See Note 3.A for detail), the City has reported capital assets for the right to use leased software which are reflected in the schedule below. Capital asset activity for the governmental activities for the year ended December 31, 2023 were as follows in the chart below.

	Restated Balance <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/23</u>
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 55,049,436	\$ 85,620	\$ -	\$ 55,135,056
Construction in progress	8,371,810	27,391,351	(25,436,385)	10,326,776
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>77,428,648</u>	<u>27,476,971</u>	<u>(25,436,385)</u>	<u>79,469,234</u>
<i>Capital assets, being depreciated:</i>				
Building improvements	161,290,840	468,058	-	161,758,898
Improvements other than buildings	73,511,614	4,044,025	-	77,555,639
Equipment	22,507,054	1,659,618	(107,745)	24,058,927
Software	2,294,585	496,503	-	2,791,088
Motor vehicles	56,271,901	2,989,242	(404,961)	58,856,182
Infrastructure	427,882,665	13,544,184	-	441,426,849
Right-to-use - software	781,427	1,474,364	-	2,255,791
Right-to-use - equipment	-	32,524	-	32,524
Right-to-use - buildings	<u>5,601,575</u>	<u>128,516</u>	<u>-</u>	<u>5,730,091</u>
Total capital assets, being depreciated/amortized	<u>750,141,661</u>	<u>24,837,034</u>	<u>(512,706)</u>	<u>774,465,989</u>
<i>Less: accumulated depreciation/amortization</i>				
Building improvements	(88,612,841)	(3,260,863)	-	(91,873,704)
Improvements other than buildings	(46,567,404)	(1,459,367)	-	(48,026,771)
Equipment	(18,850,234)	(803,131)	107,745	(19,545,620)
Software	(1,897,020)	(130,843)	-	(2,027,863)
Motor vehicles	(36,073,189)	(3,297,535)	404,961	(38,965,763)
Infrastructure	(146,578,794)	(7,602,840)	-	(154,181,634)
Right-to-use - software	-	(644,587)	-	(644,587)
Right-to-use - equipment	-	(6,563)	-	(6,563)
Right-to-use - buildings	<u>(301,008)</u>	<u>(214,075)</u>	<u>-</u>	<u>(515,083)</u>
Total accumulated depreciation/amortization	<u>(338,880,490)</u>	<u>(17,419,804)</u>	<u>512,706</u>	<u>(355,787,588)</u>
Total capital assets being depreciated/amortized, net	<u>411,261,171</u>	<u>7,417,230</u>	<u>-</u>	<u>418,678,401</u>
Governmental activities capital assets, net	<u>\$ 488,689,819</u>	<u>\$ 34,894,201</u>	<u>\$ (25,436,385)</u>	<u>\$ 498,147,635</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

Downtown	\$ 98,610
Community development and neighborhoods	931,497
Economic development	639,802
Leadership and quality of life	12,662,282
Corporate responsibility	496,716
Public safety and justice	<u>2,590,897</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 17,419,804</u>

- B.** Due to the implementation of GASB Statement No. 96 (See Note 3.A for detail), the City has reported capital assets for the right to use leased software which are reflected in the schedule below. Capital asset activity for the business-type activities for the year ended December 31, 2023, were as follows:

	Restated Balance <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/23</u>
Business-type activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 37,682,406	\$ -	\$ -	\$ 37,682,406
Construction in progress	<u>43,768,838</u>	<u>37,552,798</u>	<u>(23,703,433)</u>	<u>57,618,203</u>
Total capital assets, not being depreciated/amortized	<u>81,451,244</u>	<u>37,552,798</u>	<u>(23,703,433)</u>	<u>95,300,609</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	294,951,335	5,255,572	-	300,206,907
Improvements other than buildings	904,033,103	17,759,277	-	921,792,380
Equipment	34,242,785	1,666,452	-	35,909,237
Right to use: software	1,214,018	348,166	-	1,562,184
Right to use: buildings	-	17,119	-	17,119
Motor vehicles	<u>47,632,743</u>	<u>1,771,414</u>	<u>(490,137)</u>	<u>48,914,020</u>
Total capital assets, being depreciated/amortized	<u>1,282,073,984</u>	<u>26,818,000</u>	<u>(490,137)</u>	<u>1,308,401,847</u>
<i>Less: accumulated depreciation/amortization</i>				
Buildings and improvements	(137,091,427)	(6,974,974)	-	(144,066,401)
Improvements other than buildings	(556,334,768)	(20,708,135)	-	(577,042,903)
Equipment	(21,530,839)	(2,004,457)	-	(23,535,296)
Right to use - buildings	-	(1,724)	-	(1,724)
Right to use - software	-	(669,327)	-	(669,327)
Motor vehicles	<u>(29,599,478)</u>	<u>(2,982,254)</u>	<u>490,137</u>	<u>(32,091,595)</u>
Total accumulated depreciation/amortization	<u>(744,556,512)</u>	<u>(33,340,871)</u>	<u>490,137</u>	<u>(777,407,246)</u>
Total capital assets being depreciated/amortized, net	<u>537,517,472</u>	<u>(6,522,871)</u>	<u>-</u>	<u>530,994,601</u>
Business-type activities capital assets, net	<u>\$ 618,968,716</u>	<u>\$ 31,029,927</u>	<u>\$ (23,703,433)</u>	<u>\$ 626,295,210</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to the enterprise funds as follows:

Dayton International Airport	\$ 15,937,672
Water	9,058,412
Sewer	7,434,880
Non-major enterprise - Storm water	<u>909,907</u>
 Total depreciation/amortization expense - business-type activities	 <u>\$ 33,340,871</u>

C. Outstanding contractual commitments related to construction in progress for the year ended December 31, 2023, was as follows:

Governmental activities	\$ 17,679,723
Water	20,795,866
Sewer	7,145,191
Dayton International Airport	4,078,191
Nonmajor enterprise funds	<u>15,177</u>
Total outstanding contractual commitments	<u>\$ 49,714,148</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 \$3,334,456 in the governmental funds and \$18,279,023 in the business-type activities. For 2023, the City’s governmental funds recognized lease revenue of \$281,071, which is reported in other revenue and interest revenue of \$33,124. For 2023, the City’s business type activities recognized lease revenue of \$1,816,573 which is reported in other income and interest revenue of \$296,489.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the City has reported obligations for SBITA 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:

<i>Governmental activities:</i>	Issue	Maturity	Interest	Original	Restated	Increase	Decrease	Balance	Amounts
	Date	Date	Rate (%)	Issue	Balance				
	<u>Date</u>	<u>Date</u>	<u>Rate (%)</u>	<u>Amount</u>	<u>12/31/22</u>			<u>12/31/23</u>	<u>Due in</u>
									<u>One Year</u>
General obligation bonds:									
Various Purpose GO Bonds	12/15/16	12/01/36	2.0 - 5.0	\$ 12,210,000	\$ 6,725,000	\$ -	\$ (840,000)	\$ 5,885,000	\$ 870,000
Energy conservation bonds	06/11/11	12/01/25	4.98	1,615,000	375,000	-	(125,000)	250,000	125,000
Various purpose bonds	09/09/14	12/01/34	1.25 - 4.0	5,700,000	3,000,000	-	(380,000)	2,620,000	390,000
Various purpose bonds	11/13/18	12/01/38	2.5-4.0	10,705,000	7,415,000	-	(895,000)	6,520,000	585,000
Various purpose bonds	11/12/20	12/1/2032	1.0-4.0	25,625,000	21,865,000	-	(1,835,000)	20,030,000	1,850,000
Various purpose bonds	12/01/22	12/01/42	5.0-5.5	15,705,000	15,705,000	-	(740,000)	14,965,000	775,000
Total general obligation bonds					55,085,000	-	(4,815,000)	50,270,000	4,595,000
Revenue bonds:									
Economic development	09/22/10	12/1/31	2.0 - 4.125	2,500,000	1,290,000	-	(125,000)	1,165,000	130,000
2020 Economic development refunding	11/12/20	12/1/28	.04 - 1.8	14,225,000	10,755,000	-	(1,745,000)	9,010,000	1,760,000
Economic development	11/13/18	12/01/38	3.75 - 5.0	3,700,000	3,180,000	-	(145,000)	3,035,000	150,000
2022 Economic development bonds	12/01/22	12/01/42	4.75-5.25	6,005,000	6,005,000	-	(180,000)	5,825,000	190,000
Total revenue bonds					21,230,000	-	(2,195,000)	19,035,000	2,230,000

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Ohio Public Works									
Commission loan	1/1/2016	1/1/2031	323,895	\$ 194,332	\$ -	\$ (21,592)	\$ 172,740	\$ 21,592	
Ohio Public Works									
Commission loan	7/1/2016	7/1/2031	133,189	84,353	-	(8,879)	75,474	8,879	
Ohio Public Works									
Commission loan	7/1/2016	7/1/2031	642,814	407,115	-	(42,854)	364,261	42,854	
Ohio Public Works									
Commission loan	7/1/2019	7/1/2035	366,855	305,713	-	(24,457)	281,256	24,457	
Ohio Public Works									
Commission loan	7/1/2019	7/1/2035	372,300	310,250	-	(24,820)	285,430	24,820	
Ohio Public Works									
Commission loan	1/1/2021	1/1/1936	251,438	<u>226,294</u>	-	<u>(16,763)</u>	<u>209,531</u>	<u>16,763</u>	
Total Ohio Public Works Commission loans				<u>1,528,057</u>	-	<u>(139,365)</u>	<u>1,388,692</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	894,563	-	(304,126)	590,437	318,033	
State Infrastructure									
Bank loan	12/4/2014	11/15/2036	2,500,000	1,950,976	-	(114,009)	1,836,967	117,456	
State Infrastructure									
Bank bonds	12/4/14	11/15/2036	3,540,000	2,565,000	-	(150,000)	2,415,000	160,000	
Net pension liability				156,943,550	122,034,648	-	278,978,198	-	
Leases payable				5,321,462	161,332	(166,057)	5,316,737	104,807	
SBITA Payable				220,549	1,474,364	(662,718)	1,032,195	-	
Net OPEB liability				23,084,233	1,817,552	(8,599,626)	16,302,159	-	
Judgments				77,406	432,104	(366,132)	143,378	143,378	
Claims				6,749,693	24,874,690	(24,808,117)	6,816,266	3,560,853	
Compensated absences				<u>13,099,215</u>	<u>10,960,371</u>	<u>(11,354,050)</u>	<u>12,705,536</u>	<u>9,130,786</u>	
Total other long-term obligations				<u>210,906,647</u>	<u>161,755,061</u>	<u>(46,524,835)</u>	<u>326,136,873</u>	<u>13,535,313</u>	
Total governmental activities				<u>\$ 288,749,704</u>	<u>\$ 161,755,061</u>	<u>\$ 53,674,200</u>	<u>396,830,565</u>	<u>\$ 20,499,678</u>	
Add: unamortized bond premiums and discounts							<u>4,170,560</u>		
Total on statement of net position							<u>\$ 401,001,125</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, 2023 is \$13,045,000.

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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 0.58 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2022 revenue bonds is \$9,050,037. Principal and interest paid for the current year on the revenue bonds were \$180,000 and \$294,488. General fund nontax revenues for the current year were \$81,736,421.

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 2.30 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 \$9,423,288. Principal and interest paid for the current year on the revenue bonds were \$1,745,000 and \$134,020. General fund nontax revenues for the current year were \$81,736,421.

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 0.22 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2010 revenue bonds is \$1,389,185. Principal and interest paid for the current year was \$125,000 and \$51,576. General fund nontax revenues for the current year were \$81,736,421.

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 0.34 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2018 revenue bonds is \$4,143,688. Principal and interest paid for the current year was \$145,000 and \$130,850. General fund nontax revenues for the current year were \$81,736,421.

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, 2023, is \$1,035,000.

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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, 2023, is \$585,000.

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, ODOT 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.

The City has entered into agreements for the use of right to use software. Due to the implementation of GASB Statement No. 96, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under these agreements. Principal and interest payments for the SBITA obligations are made from the general fund.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

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

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

In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was \$155,514,868 and the unvoted debt margin was \$53,875,005.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023 for the governmental activities:

Year Ending December 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	3,630,000	1,391,013	5,021,013	2,405,000	403,505	2,808,505
2029 - 2033	14,235,000	4,861,624	19,096,624	2,820,000	1,461,352	4,281,352
2034 - 2038	11,090,000	2,263,362	13,353,362	2,950,000	817,262	3,767,262
2039 - 2042	4,085,000	412,498	4,497,498	1,700,000	205,639	1,905,639
Totals	\$ 50,270,000	\$ 16,179,824	\$ 66,449,824	\$ 19,035,000	\$ 4,971,198	\$ 24,006,198

Year Ending December 31,	Ohio Public Works Commission Loans			Ohio Department of Development Loan		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 139,366	\$ -	\$ 139,366	\$ 318,033	\$ 13,364	\$ 331,397
2025	139,365	-	139,365	272,404	3,760	276,164
2026	139,365	-	139,365	-	-	-
2027	139,365	-	139,365	-	-	-
2028	139,367	-	139,367	-	-	-
2029 - 2033	576,044	-	576,044	-	-	-
2034 - 2036	115,820	-	115,820	-	-	-
Totals	\$ 1,388,692	\$ -	\$ 1,388,692	\$ 590,437	\$ 17,124	\$ 607,561

Year Ending December 31,	State Infrastructure Bank Bonds			State Infrastructure Bank Loan		
	Principal	Interest	Total	Principal	Interest	Total
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	67,703	237,703	128,430	43,260	171,690
2028	170,000	62,337	232,337	132,313	39,377	171,690
2029 - 2033	940,000	218,406	1,158,406	724,025	134,425	858,450
2034 - 2036	655,000	43,593	698,593	489,075	25,995	515,070
Totals	\$ 2,415,000	\$ 624,335	\$ 3,039,335	\$ 1,836,967	\$ 395,003	\$ 2,231,970

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Leases			SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 104,807	\$ 92,321	\$ 197,128	\$ -	\$ 28,064	\$ 28,064
2025	50,530	91,360	141,890	999,006	13,616	1,012,622
2026	45,489	90,402	135,891	33,189	604	33,793
2027	45,832	89,456	135,288	-	-	-
2028	29,045	88,625	117,670	-	-	-
2029 - 2033	191,817	433,183	625,000	-	-	-
2034 - 2038	209,327	415,673	625,000	-	-	-
2039 - 2043	228,436	396,564	625,000	-	-	-
2044 - 2048	249,290	375,710	625,000	-	-	-
2049 - 2053	272,047	352,953	625,000	-	-	-
2054 - 2058	296,882	328,118	625,000	-	-	-
2059 - 2063	323,984	301,016	625,000	-	-	-
2064 - 2068	353,560	271,440	625,000	-	-	-
2069 - 2073	385,835	239,165	625,000	-	-	-
2074 - 2078	421,058	203,942	625,000	-	-	-
2079 - 2083	459,495	165,505	625,000	-	-	-
2084 - 2088	501,442	123,558	625,000	-	-	-
2089 - 2093	550,690	77,782	628,472	-	-	-
2094 - 2098	597,171	27,826	624,997	-	-	-
Totals	<u>\$ 5,316,737</u>	<u>\$ 4,164,599</u>	<u>\$ 9,481,336</u>	<u>\$ 1,032,195</u>	<u>\$ 42,284</u>	<u>\$ 1,074,479</u>

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CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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	Maturity	Interest	Original	Balance	Increase	Decrease	Balance	Amounts
	Date	Date	Rate (%)	Issue					Due in
				Amount	12/31/22			12/31/23	One Year
General obligation bonds:									
Dayton International Airport									
refunding bonds	12/3/2015	12/1/2029	1.0 to 4.0	8,045,000	\$ 5,190,000	\$ -	\$ (655,000)	\$ 4,535,000	\$ 680,000
Wellfield	12/15/2016	12/1/2036	2.0 to 5.0	5,900,000	4,295,000	-	(235,000)	4,060,000	245,000
2020 Bonds - Storm	11/12/2020	12/1/2040	1.0 to 4.0	3,000,000	2,700,000	-	(160,000)	2,540,000	160,000
2020 Bonds - Water	11/12/2020	12/1/2040	1.0 to 4.0	7,245,000	6,025,000	-	(530,000)	5,495,000	535,000
2020 Bonds - Sewer	11/12/2020	12/1/2040	1.0 to 4.0	7,390,000	6,145,000	-	(545,000)	5,600,000	545,000
Total general obligation bonds					24,355,000	-	(2,125,000)	22,230,000	2,165,000
Revenue bonds:									
Water	12/3/2015	12/1/2035	1.0 to 4.0	15,090,000	10,850,000	-	(670,000)	10,180,000	685,000
Sewer	12/3/2015	12/1/2035	1.0 to 4.0	15,770,000	11,345,000	-	(700,000)	10,645,000	720,000
Dayton International Airport	12/30/2015	12/1/2035	3.0 to 5.0	21,545,000	15,690,000	-	(955,000)	14,735,000	990,000
Dayton International Airport	9/9/2014	12/01/2032	2.30 to 5.00	26,950,000	17,230,000	-	(1,405,000)	15,825,000	1,465,000
Dayton International Airport	12/15/2016	12/1/2041	3.0 to 5.0	33,050,000	28,235,000	-	(965,000)	27,270,000	1,000,000
Water	11/13/18	12/01/38	3.0 to 5.0	16,430,000	14,100,000	-	(650,000)	13,450,000	675,000
Water	1/1/22	1/1/42	5.0 to 5.5	23,080,000	23,080,000	-	(690,000)	22,390,000	725,000
Sewer	10/30/20	12/1/40	3.0 to 4.0	16,380,000	15,265,000	-	(605,000)	14,660,000	630,000
Total revenue bonds					135,795,000	-	(6,640,000)	129,155,000	6,890,000
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	15,213,122	7,556,842	(4,963,670)	17,806,294	390,154
JOBS Ohio loan	09/01/2016	04/01/2037	2.0 to 3.0	5,000,000	4,025,799	-	(222,389)	3,803,410	227,444
Compensated absences payable					3,630,624	2,194,868	(2,246,210)	3,579,282	2,497,258
Lease Payable					-	17,119	(1,714)	15,405	3,262
SBITA					1,204,164	227,166	(851,848)	579,482	381,972
Net pension liability					20,297,018	42,418,543	-	62,715,561	-
Net OPEB liability					384,183	1,239,551	(65,558)	1,558,176	-
Total other long-term obligations					44,754,910	53,654,089	(8,351,389)	90,057,610	3,500,090
Total business-type activities					\$ 204,904,910	\$ 53,654,089	\$ (17,116,389)	241,442,610	\$ 12,555,090
Add: unamortized bond premiums and discounts								8,960,453	
Total on statement of net position								\$ 250,403,063	

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, 2023

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 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 10.37 percent of net customer revenues. The total principal and interest remaining to be paid on the Series 2015, 2018 and 2022 revenue bonds is \$67,425,345. Principal and interest paid for the current year and total customer net revenues were \$2,306,550 and \$8,668,355, 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 15.46 percent of net customer revenues. The total principal and interest remaining to be paid on the Series 2015 and 2020 revenue bonds is \$32,868,400. Principal and interest paid for the current year and total customer net revenues were \$2,262,800 and \$14,632,479, 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, 2023

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, 2023 is \$17,090,000.

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 37.46 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 \$59,814,054. Principal and interest paid for the current year and total customer net revenues were \$5,975,981 and \$15,951,742, 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, 2023, the City had outstanding borrowings of \$17,800,972 and \$7,551,520 was disbursed during 2023. At December 31, 2023, the City also had \$5,322 in outstanding OWDA loans for the water fund. 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 2053. Annual principal and interest payments on the loans are expected to require 17.69 percent of net revenues. Principal and interest paid for the current year were \$2,587,850 and customer net revenues were \$4,973,158.

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.

The City has entered into a lease agreement for the use of right to use buildings for a communications tower. 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 Water fund.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The City has entered into agreements for the use of right to use software. Due to the implementation of GASB Statement No. 96, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under these agreements. Principal and interest payments for the SBITA obligations are made from the Dayton International Airport fund, Water fund, and Storm Water fund.

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

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2023 for the business-type activities.

Year Ending <u>December 31,</u>	<u>Revenue Bonds</u>			<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	8,140,000	4,303,067	12,443,067	2,430,000	509,900	2,939,900
2029 - 2033	43,995,000	16,098,094	60,093,094	8,510,000	1,246,012	9,756,012
2034 - 2038	32,730,000	7,451,586	40,181,586	1,940,000	211,050	2,151,050
2039 - 2041	15,000,000	1,627,826	16,627,826	360,000	16,350	376,350
Totals	<u>\$ 129,155,000</u>	<u>\$ 49,964,889</u>	<u>\$ 179,119,889</u>	<u>\$ 22,230,000</u>	<u>\$ 4,892,862</u>	<u>\$ 27,122,862</u>

Year Ending <u>December 31,</u>	<u>JOBS Ohio</u>			<u>SBITA</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 227,444	\$ 73,992	\$ 301,436	\$ 381,972	\$ 17,105	\$ 399,077
2025	232,615	69,396	302,011	115,890	6,669	122,559
2026	237,903	64,695	302,598	26,190	3,550	29,740
2027	243,311	59,888	303,199	25,834	2,166	28,000
2028	240,907	73,090	313,997	26,837	1,463	28,300
2029 - 2033	1,305,315	299,563	1,604,878	2,759	741	3,500
2034 - 2038	1,315,915	89,183	1,405,098	-	-	-
Totals	<u>\$ 3,803,410</u>	<u>\$ 729,807</u>	<u>\$ 4,533,217</u>	<u>\$ 579,482</u>	<u>\$ 31,694</u>	<u>\$ 611,176</u>

Year Ending <u>December 31,</u>	<u>Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,262	\$ 388	\$ 3,650
2025	3,352	298	3,650
2026	3,445	205	3,650
2027	3,540	110	3,650
2028	1,806	19	1,825
Totals	<u>\$ 15,405</u>	<u>\$ 1,020</u>	<u>\$ 16,425</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - RISK MANAGEMENT

A. Property and Liability

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

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2023, 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
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
Employment Practices Liability	2,000,000
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, 2023, there were \$20,245 in outstanding claims and judgments pending that are reported as a component of claimants payable in the general fund. Claims activity for 2023 and 2022 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>
2023	\$ 14,981	\$ 277,892	\$ (272,628)	\$ 20,245
2022	521,300	131,027	(637,346)	14,981

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - RISK MANAGEMENT - (Continued)

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

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a "minimum premium" for retaining the risk of having to pay claims which exceeds the City's maximum claim limits. After ten years, the City settles up for the reserve on any claims that are still open. The City has established a workers' compensation internal service fund to account for and finance its uninsured risks of loss in this program.

The claims liability of \$4,532,552 reported at December 31, 2023, 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 \$4,532,552 claims liability, \$1,277,139 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 \$3,255,413. 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 2023 and 2022 were as follows:

<u>Year</u>	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2023	\$ 3,968,743	\$ 2,706,390	\$ (2,142,581)	\$ 4,532,552
2022	3,218,329	2,865,919	(2,115,505)	3,968,743

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 \$2,283,714 for the claims payable liability.

Changes in the claims payable liability in 2023 and 2022 were as follows:

<u>Year</u>	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2023	\$ 2,780,950	\$ 22,168,300	\$ (22,665,536)	\$ 2,283,714
2022	2,947,800	19,999,666	(20,166,516)	2,780,950

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 16 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Compensatory time off in lieu of overtime pay is an option given to uniformed Police, Fire, Clerical, Blue Collar, and Building Trade Personnel under union contract. It is given on the basis of time and one-half for actual hours worked. Employees who have accumulated the maximum of compensatory time hours are paid overtime as overtime hours are worked.

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

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

The net pension liability/asset and the net OPEB liability 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/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 is a cost-sharing, multiple employer public employee retirement system which 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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 amount of a member’s pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% 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 and will continue to be administered by OPERS), 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.

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2023 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.

** These employer health care rate is for the traditional and combined plans.

The employer contribution for the member-directed plan is allocated 4 percent.

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 \$11,635,219 for 2023. Of this amount, \$1,052,853 is reported as due to other governments.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% 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, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$12,560,441 for 2023. Of this amount, \$1,384,054 is reported as due to other governments.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.49970500%	0.49061200%	0.43224100%	2.14111100%	
Proportion of the net pension liability/asset current measurement date	<u>0.48812000%</u>	<u>0.46266000%</u>	<u>0.42397200%</u>	<u>2.07919000%</u>	
Change in proportionate share	<u>-0.01158500%</u>	<u>-0.02795200%</u>	<u>-0.00826900%</u>	<u>-0.06192100%</u>	
Proportionate share of the net pension liability	\$ 144,190,863	\$ -	\$ -	\$ 197,502,896	\$ 341,693,759
Proportionate share of the net pension asset	-	(1,090,440)	(33,156)	-	(1,123,596)
Pension expense	17,015,023	139,807	(3,213)	23,936,184	41,087,801

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 4,789,416	\$ 67,039	\$ 95,278	\$ 2,962,459	\$ 7,914,192
Net difference between projected and actual earnings on pension plan investments	41,098,928	397,406	15,541	28,753,992	70,265,867
Changes of assumptions	1,523,274	72,192	2,102	17,814,084	19,411,652
Changes in employer's proportionate percentage/ difference between employer contributions	298,536	-	-	1,529,325	1,827,861
Contributions subsequent to the measurement date	11,052,988	272,474	309,756	12,560,441	24,195,659
Total deferred outflows of resources	<u>\$ 58,763,142</u>	<u>\$ 809,111</u>	<u>\$ 422,677</u>	<u>\$ 63,620,301</u>	<u>\$ 123,615,231</u>

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ 155,804	\$ -	\$ 4,499,694	\$ 4,655,498
Changes of assumptions	-	-	-	3,851,251	3,851,251
Changes in employer's proportionate percentage/ difference between employer contributions	2,453,683	-	-	6,806,001	9,259,684
Total deferred inflows of resources	<u>\$ 2,453,683</u>	<u>\$ 155,804</u>	<u>\$ -</u>	<u>\$ 15,156,946</u>	<u>\$ 17,766,433</u>

\$24,195,659 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, 2024.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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
2024	\$ 3,838,983	\$ 16,135	\$ 15,811	\$ 3,209,161	\$ 7,080,090
2025	9,186,952	73,118	16,956	8,642,592	17,919,618
2026	12,097,416	101,443	17,250	9,735,214	21,951,323
2027	20,133,120	171,093	19,554	15,358,600	35,682,367
2028	-	(466)	11,219	(1,042,654)	(1,031,901)
Thereafter	-	19,510	32,131	1	51,642
Total	\$ 45,256,471	\$ 380,833	\$ 112,921	\$ 35,902,914	\$ 81,653,139

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, 2022, 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, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% 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: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2022, 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 loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2022 was 6.90%. 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 benefit 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	Current Discount Rate	1% Increase
City’s proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 215,993,100	\$ 144,190,863	\$ 84,464,285
Combined Plan	(569,072)	(1,090,440)	(1,503,645)
Member-Directed Plan	(21,199)	(33,156)	(42,397)

Actuarial Assumptions - OP&F

OP&F’s total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 retirement 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. Experience study assumptions were performed by OP&F’s prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful live of the participants which was 5.81 years at December 31, 2022.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
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

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - DEFINED BENEFIT PENSION 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, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 7.50% 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 7.50%. 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	\$ 260,544,426	\$ 197,502,896	\$ 145,096,466

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 18 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the 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 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$169,313 for 2023. Of this amount, \$15,321 is reported as due to other governments.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

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.

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 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$298,799 for 2023. Of this amount, \$32,925 is reported as due to other governments.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.49678100%	2.14111100%	
Proportion of the net OPEB liability current measurement date	<u>0.48485500%</u>	<u>2.07919000%</u>	
Change in proportionate share	<u>-0.01192600%</u>	<u>-0.06192100%</u>	
Proportionate share of the net OPEB liability	\$ 3,057,103	\$ 14,803,232	\$ 17,860,335
OPEB expense	(6,488,621)	1,155,593	(5,333,028)

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2023, 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	\$ -	\$ 883,366	\$ 883,366
Net difference between projected and actual earnings on OPEB plan investments	6,071,515	1,269,678	7,341,193
Changes of assumptions	2,985,942	7,377,116	10,363,058
Changes in employer's proportionate percentage/ difference between employer contributions	8,727	487,554	496,281
Contributions subsequent to the measurement date	169,314	298,799	468,113
Total deferred outflows of resources	<u>\$ 9,235,498</u>	<u>\$ 10,316,513</u>	<u>\$ 19,552,011</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 762,561	\$ 2,918,895	\$ 3,681,456
Changes of assumptions	245,694	12,107,833	12,353,527
Changes in employer's proportionate percentage/ difference between employer contributions	179,117	1,059,635	1,238,752
Total deferred inflows of resources	<u>\$ 1,187,372</u>	<u>\$ 16,086,363</u>	<u>\$ 17,273,735</u>

\$468,113 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 in the year ending December 31, 2024.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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:	OPERS	OP&F	Total
2024	\$ 841,942	\$ (275,061)	\$ 566,881
2025	2,210,533	(169,803)	2,040,730
2026	1,893,296	(724,558)	1,168,738
2027	2,933,041	(439,561)	2,493,480
2028	-	(1,337,120)	(1,337,120)
Thereafter	-	(3,122,546)	(3,122,546)
Total	\$ 7,878,812	\$ (6,068,649)	\$ 1,810,163

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, 2021, rolled forward to the measurement date of December 31, 2022.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
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	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
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.

During 2022, 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 loss of 15.6% for 2022.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 10,404,988	\$ 3,057,103	\$ (3,006,101)

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 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.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 2,865,493	\$ 3,057,103	\$ 3,272,771

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 2023

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, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions 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, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 18,228,787	\$ 14,803,232	\$ 11,911,179

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

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

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

The adjustments necessary to convert the results of operations of the general fund and the local fiscal recovery fund for the year ended December 31, 2023, on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance

	General	Local Fiscal Recovery
Budget basis	\$ 2,107,950	\$ (46,277,449)
Net adjustment for revenues	6,734,880	38,249,517
Net adjustment for expenditures	(9,497,985)	(1,380,686)
Net adjustment for other sources/uses	1,590,914	-
Adjustment for encumbrances	11,890,748	25,317,598
GAAP basis	\$ 12,826,507	\$ 15,908,980

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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	\$ 173,351	\$ -	\$ -	\$ 9,740	\$ 2,991	\$ 186,082
Materials and supplies inventory	446,058	-	-	-	493,909	939,967
Advances to other funds	776,000	-	-	-	-	776,000
Perpetual care	-	-	-	-	102,228	102,228
Loans receivable	14,905,000	-	-	-	-	14,905,000
Unclaimed monies	915,084	-	-	-	-	915,084
Total nonspendable	17,215,493	-	-	9,740	599,128	17,824,361
Restricted:						
Street and highway programs	-	-	-	-	4,762,738	4,762,738
Housing & urban development	-	-	-	-	992,386	992,386
Special projects	-	-	-	-	18,702,159	18,702,159
Debt service	-	-	26,383,625	-	-	26,383,625
Capital projects	-	-	-	19,749,293	-	19,749,293
Fire proceeds	1,761,361	-	-	-	-	1,761,361
Permanent fund	-	-	-	-	84,726	84,726
Total restricted	1,761,361	-	26,383,625	19,749,293	24,542,009	72,436,288
Committed:						
Capital projects	-	-	-	45,879,875	-	45,879,875
Dayton Recovery Plan	-	59,491,136	-	-	-	59,491,136
Community development	247,593	-	-	-	-	247,593
Economic development	141,985	-	-	-	-	141,985
Leadership and quality of life	1,710,349	-	-	-	-	1,710,349
Corporate responsibility	983,127	-	-	-	-	983,127
Other purposes	33,240	-	-	-	-	33,240
Public safety	1,141,071	-	-	-	-	1,141,071
Special assessments	-	-	508,891	-	-	508,891
Total committed	4,257,365	59,491,136	508,891	45,879,875	-	110,137,267
Assigned:						
Economic development	14,580	-	-	-	-	14,580
Leadership and quality of life	174,446	-	-	-	-	174,446
Corporate responsibility	119,896	-	-	-	-	119,896
Public safety	123,011	-	-	-	-	123,011
Special payroll	3,170,857	-	-	-	-	3,170,857
Termination pay	2,782,968	-	-	-	-	2,782,968
Unemployment	1,354,846	-	-	-	-	1,354,846
Other purposes	1,132,731	-	-	-	-	1,132,731
Police professional development	75,192	-	-	-	-	75,192
Sunrise Bomberger Center	249,993	-	-	-	-	249,993
Community policing council (CIRGV)	58,572	-	-	-	-	58,572
Mediation center	203,900	-	-	-	-	203,900
Professional development	72,979	-	-	-	-	72,979
Nationwide settlement	141,789	-	-	-	-	141,789
Executive savings	72,919	-	-	-	-	72,919
Judgments	1,496,804	-	-	-	-	1,496,804
Development	11,510,819	-	-	-	-	11,510,819
Real estate development	237,169	-	-	-	-	237,169
Subsequent year appropriations	4,457,218	-	-	-	-	4,457,218
Preschool promise	1,218,224	-	-	-	-	1,218,224
Public safety photo enforcement	4,355,843	-	-	-	-	4,355,843
Community golf and recreation	1,324,398	-	-	-	-	1,324,398
Urban renewal	53,520	-	-	-	-	53,520
Capital projects	-	-	-	16,506,989	-	16,506,989
Total assigned	34,402,674	-	-	16,506,989	-	50,909,663
Unassigned (deficit)	53,804,966	-	-	-	(3,838,239)	49,966,727
Total fund balances	\$ 111,441,859	\$ 59,491,136	\$ 26,892,516	\$ 82,145,897	\$ 21,302,898	\$ 301,274,306

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 21 - COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 8,651,298
Local fiscal recovery fund	23,908,967
Debt service	38,500
Capital improvement	22,247,303
Nonmajor governmental	<u>23,859,928</u>
Total	<u>\$ 78,705,996</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, 2023 to December 31, 2023, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

C. Asset Retirement Obligations

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

NOTE 23 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DAYTON
MONTGOMERY COUNTY, 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 TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.488120%	0.499705%	0.524244%	0.550177%
City's proportionate share of the net pension liability	\$ 144,190,863	\$ 43,476,356	\$ 77,629,122	\$ 108,746,216
City's covered payroll	\$ 74,478,650	\$ 72,526,236	\$ 73,835,129	\$ 77,640,136
City's proportionate share of the net pension liability as a percentage of its covered payroll	193.60%	59.95%	105.14%	140.06%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.462660%	0.490612%	0.494270%	0.517985%
City's proportionate share of the net pension asset	\$ 1,090,440	\$ 1,933,037	\$ 1,426,777	\$ 1,080,123
City's covered payroll	\$ 2,150,957	\$ 2,236,679	\$ 2,178,250	\$ 2,263,643
City's proportionate share of the net pension asset as a percentage of its covered payroll	50.70%	86.42%	65.50%	47.72%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.423972%	0.432241%	0.463394%	0.485467%
City's proportionate share of the net pension asset	\$ 33,156	\$ 78,478	\$ 84,472	\$ 18,350
City's covered payroll	\$ 2,871,150	\$ 2,722,630	\$ 2,783,080	\$ 2,885,760
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.88%	3.04%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.563207%	0.571533%	0.555800%	0.567394%	0.560246%	0.560246%
\$	154,250,979	\$ 89,662,448	\$ 126,212,728	\$ 98,279,795	\$ 67,571,930	\$ 66,045,704
\$	74,225,779	\$ 73,469,231	\$ 71,961,283	\$ 72,324,850	\$ 67,411,033	\$ 66,466,608
	207.81%	122.04%	175.39%	135.89%	100.24%	99.37%
	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
	0.551450%	0.569155%	0.533340%	0.506860%	0.475603%	0.475603%
\$	616,644	\$ 774,804	\$ 296,841	\$ 246,649	\$ 183,119	\$ 49,906
\$	2,358,507	\$ 2,330,962	\$ 2,073,725	\$ 1,645,667	\$ 1,738,508	\$ 1,438,292
	26.15%	33.24%	14.31%	14.99%	10.53%	3.47%
	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%
	0.507999%	0.507183%	0.481132%	0.424314%	n/a	n/a
\$	11,575	\$ 17,701	\$ 2,004	\$ 1,622	n/a	n/a
\$	2,899,690	\$ 2,767,440	\$ 2,484,105	\$ 2,984,958	n/a	n/a
	0.40%	0.64%	0.08%	0.05%	n/a	n/a
	113.42%	124.46%	103.40%	103.91%	n/a	n/a

**CITY OF DAYTON
MONTGOMERY COUNTY, 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 TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	2.079190%	2.141111%	2.151120%	2.182454%
City's proportionate share of the net pension liability	\$ 197,502,896	\$ 133,764,212	\$ 146,643,780	\$ 147,021,746
City's covered payroll	\$ 55,948,716	\$ 53,099,162	\$ 53,743,137	\$ 52,739,394
City's proportionate share of the net pension liability as a percentage of its covered payroll	353.01%	251.91%	272.86%	278.77%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

	2019	2018	2017	2016	2015	2014
	2.179322%	2.176727%	2.164529%	2.202642%	2.415104%	2.241510%
\$	177,890,261	\$ 133,595,564	\$ 137,099,085	\$ 141,697,531	\$ 116,119,585	\$ 109,168,588
\$	49,732,902	\$ 47,884,272	\$ 46,850,076	\$ 46,805,467	\$ 42,914,752	\$ 43,695,379
	357.69%	279.00%	292.63%	302.74%	270.58%	249.84%
	63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 11,052,988	\$ 10,427,011	\$ 10,153,673	\$ 10,336,925
Contributions in relation to the contractually required contribution	<u>(11,052,988)</u>	<u>(10,427,011)</u>	<u>(10,153,673)</u>	<u>(10,336,925)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 78,949,914	\$ 74,478,650	\$ 72,526,236	\$ 73,835,179
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 272,474	\$ 301,134	\$ 313,135	\$ 304,955
Contributions in relation to the contractually required contribution	<u>(272,474)</u>	<u>(301,134)</u>	<u>(313,135)</u>	<u>(304,955)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,270,617	\$ 2,150,957	\$ 2,236,679	\$ 2,178,250
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 309,756	\$ 287,115	\$ 272,263	\$ 278,308
Contributions in relation to the contractually required contribution	<u>(309,756)</u>	<u>(287,115)</u>	<u>(272,263)</u>	<u>(278,308)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,097,560	\$ 2,871,150	\$ 2,722,630	\$ 2,783,080
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 10,869,619	\$ 10,391,609	\$ 9,551,000	\$ 8,635,354	\$ 8,678,982	\$ 8,089,324
<u>(10,869,619)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 77,640,136	\$ 74,225,779	\$ 73,469,231	\$ 71,961,283	\$ 72,324,850	\$ 67,411,033
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 316,910	\$ 330,191	\$ 303,025	\$ 248,847	\$ 197,480	\$ 208,621
<u>(316,910)</u>	<u>(330,191)</u>	<u>(303,025)</u>	<u>(248,847)</u>	<u>(197,480)</u>	<u>(208,621)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,263,643	\$ 2,358,507	\$ 2,330,962	\$ 2,073,725	\$ 1,645,667	\$ 1,738,508
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 288,576	\$ 289,969	\$ 276,744	\$ 235,990	\$ 283,571	
<u>(288,576)</u>	<u>(289,969)</u>	<u>(276,744)</u>	<u>(235,990)</u>	<u>(283,571)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 2,885,760	\$ 2,899,690	\$ 2,767,440	\$ 2,484,105	\$ 2,984,958	
10.00%	10.00%	10.00%	9.50%	9.50%	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 6,261,946	\$ 5,993,116	\$ 5,732,947	\$ 5,679,933
Contributions in relation to the contractually required contribution	<u>(6,261,946)</u>	<u>(5,993,116)</u>	<u>(5,732,947)</u>	<u>(5,679,933)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 32,957,611	\$ 31,542,716	\$ 30,173,405	\$ 29,894,384
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 6,298,495	\$ 5,735,410	\$ 5,387,553	\$ 5,604,457
Contributions in relation to the contractually required contribution	<u>(6,298,495)</u>	<u>(5,735,410)</u>	<u>(5,387,553)</u>	<u>(5,604,457)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 26,802,106	\$ 24,406,000	\$ 22,925,757	\$ 23,848,753
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 5,627,059	\$ 5,295,638	\$ 5,068,477	\$ 4,938,796	\$ 4,997,877	\$ 4,599,130
<u>(5,627,059)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 29,616,100	\$ 27,871,779	\$ 26,676,195	\$ 25,993,663	\$ 26,304,616	\$ 24,205,947
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
\$ 5,433,974	\$ 5,137,364	\$ 4,983,898	\$ 4,901,257	\$ 4,817,700	\$ 4,396,569
<u>(5,433,974)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,123,294	\$ 21,861,123	\$ 21,208,077	\$ 20,856,414	\$ 20,500,851	\$ 18,708,804
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

**CITY OF DAYTON
MONTGOMERY COUNTY, 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 SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability/asset	0.484855%	0.496781%	0.521025%	0.546751%	0.560745%
City's proportionate share of the net OPEB liability/(asset)	\$ 3,057,103	\$ (15,559,940)	\$ (9,282,478)	\$ 75,520,518	\$ 73,107,912
City's covered payroll	\$ 79,500,757	\$ 77,485,545	\$ 78,796,459	\$ 82,789,539	\$ 79,483,976
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.85%	-20.08%	-11.78%	91.22%	91.98%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%	46.33%

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>
	0.569300%	0.551043%
\$	61,821,787	\$ 55,657,232
\$	78,567,633	\$ 76,519,113
	78.69%	72.74%
	54.14%	54.05%

**CITY OF DAYTON
MONTGOMERY COUNTY, 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 SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability	2.079190%	2.141111%	2.151120%	2.182454%
City's proportionate share of the net OPEB liability	\$ 14,803,232	\$ 23,468,416	\$ 22,791,469	\$ 21,557,690
City's covered payroll	\$ 55,948,716	\$ 53,099,162	\$ 53,743,137	\$ 52,739,394
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.46%	44.20%	42.41%	40.88%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

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>2019</u>	<u>2018</u>	<u>2017</u>
	2.179322%	2.176727%	2.164529%
\$	19,846,070	\$ 123,330,304	\$ 102,745,324
\$	49,732,902	\$ 47,884,272	\$ 46,850,076
	39.91%	257.56%	219.31%
	46.57%	14.13%	15.96%

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 169,314	\$ 114,846	\$ 108,905	\$ 111,323
Contributions in relation to the contractually required contribution	(169,314)	(114,846)	(108,905)	(111,323)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 84,318,091	\$ 79,500,757	\$ 77,485,545	\$ 78,796,509
Contributions as a percentage of covered payroll	0.20%	0.14%	0.14%	0.14%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 115,431	\$ 115,989	\$ 868,701	\$ 1,592,485	\$ 1,479,410	\$ 1,407,023
<u>(115,431)</u>	<u>(115,989)</u>	<u>(868,701)</u>	<u>(1,592,485)</u>	<u>(1,479,410)</u>	<u>(1,407,023)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 82,789,539	\$ 79,483,976	\$ 78,567,633	\$ 76,519,113	\$ 76,955,475	\$ 69,149,541
0.14%	0.15%	1.11%	2.08%	1.92%	2.03%

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 164,788	\$ 157,714	\$ 150,867	\$ 149,472
Contributions in relation to the contractually required contribution	<u>(164,788)</u>	<u>(157,714)</u>	<u>(150,867)</u>	<u>(149,472)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 32,957,611	\$ 31,542,716	\$ 30,173,405	\$ 29,894,384
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 134,011	\$ 122,030	\$ 114,629	\$ 119,244
Contributions in relation to the contractually required contribution	<u>(134,011)</u>	<u>(122,030)</u>	<u>(114,629)</u>	<u>(119,244)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 26,802,106	\$ 24,406,000	\$ 22,925,757	\$ 23,848,753
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 148,081	\$ 139,359	\$ 133,381	\$ 129,968	\$ 131,523	\$ 121,030
<u>(148,081)</u>	<u>(139,359)</u>	<u>(133,381)</u>	<u>(129,968)</u>	<u>(131,523)</u>	<u>(121,030)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 29,616,100	\$ 27,871,779	\$ 26,676,195	\$ 25,993,663	\$ 26,304,616	\$ 24,205,947
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
\$ 115,616	\$ 109,306	\$ 106,040	\$ 104,282	\$ 102,504	\$ 93,544
<u>(115,616)</u>	<u>(109,306)</u>	<u>(106,040)</u>	<u>(104,282)</u>	<u>(102,504)</u>	<u>(93,544)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,123,294	\$ 21,861,123	\$ 21,208,077	\$ 20,856,414	\$ 20,500,851	\$ 18,708,804
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

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%.
- There were no changes in assumptions for 2023.

(Continued)

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

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%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, 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.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

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%.
- For 2023, 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 changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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Combining Statements and Schedules

**COMBINING STATEMENTS
AND 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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 154,254,800	\$ 152,254,800	\$ 153,280,053	\$ 1,025,253
Property and other taxes	6,513,700	7,071,400	6,602,470	(468,930)
State shared taxes	6,145,200	5,276,000	5,176,344	(99,656)
Charges for services	29,546,200	29,546,200	30,691,816	1,145,616
Licenses and permits	3,349,500	3,349,500	3,719,189	369,689
Fines and forfeitures	3,262,000	4,262,000	5,253,358	991,358
Intergovernmental	4,284,400	4,284,400	4,623,961	339,561
Special assessments	534,000	534,000	1,077,760	543,760
Investment income	6,608,900	9,365,200	5,303,661	(4,061,539)
Other	3,227,800	3,437,566	2,731,551	(706,015)
ARPA 2022 Revenue Loss	-	26,553,000	26,552,960	(40)
Total revenues	217,726,500	245,934,066	245,013,123	(920,943)
Expenditures:				
General operating:				
Clerk of commission	1,397,900	1,444,600	1,436,666	7,934
Civil service board	1,989,600	1,893,300	1,842,987	50,313
Human relations council	1,136,600	965,800	923,194	42,606
City manager's office	1,571,700	1,543,100	1,420,676	122,424
Office of sustainability	167,200	160,700	155,030	5,670
Office of public affairs	1,307,900	1,307,900	1,277,098	30,802
Department of planning & community development	10,911,100	10,171,100	9,956,827	214,273
Clerk of courts	4,294,400	4,038,900	3,944,691	94,209
Municipal court	5,682,600	5,226,700	5,112,732	113,968
Department of procurement, management and budget	2,217,900	1,765,500	1,604,356	161,144
Department of water	118,800	119,300	118,956	344
Department of law	3,176,700	3,044,900	2,909,238	135,662
Department of finance	4,920,500	3,868,700	3,776,837	91,863
Department of human resources	1,110,200	1,281,900	1,220,690	61,210
Department of information technology	7,227,100	7,155,000	7,036,449	118,551
Department of police	60,653,100	57,644,500	57,002,616	641,884
Department of fire	47,166,400	45,478,600	45,043,889	434,711
Department of public works	32,435,700	32,394,429	31,796,602	597,827
Department of recreation	4,065,100	3,209,300	3,075,758	133,542
Non-departmental	2,291,300	1,214,300	978,610	235,690
Special projects	26,127,677	26,976,677	19,554,417	7,422,260
Total expenditures	219,969,477	210,905,206	200,188,319	10,716,887
Excess (deficiency) of revenues over (under) expenditures	(2,242,977)	35,028,860	44,824,804	9,795,944
Other financing uses:				
Transfers (out)	(11,854,800)	(44,479,600)	(42,716,855)	1,762,745
Total other financing (uses)	(11,854,800)	(44,479,600)	(42,716,855)	1,762,745
Net change in fund balances	(14,097,777)	(9,450,740)	2,107,949	11,558,689
Fund balance at beginning of year	100,681,905	100,681,905	100,681,905	-
Prior year encumbrances appropriated	3,435,896	3,435,896	3,435,896	-
Balance sheet adjustments	199,674	199,674	199,674	-
Fund balance at end of year	\$ 90,219,698	\$ 94,866,735	\$ 106,425,424	\$ 11,558,689

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 23,155,970	\$ 186,827	\$ 23,342,797
Receivables:			
Accounts	145,502	-	145,502
Accrued interest	52,928	215	53,143
Due from other governments	17,019,071	-	17,019,071
Loans receivable	2,272,699	-	2,272,699
Materials and supplies inventory	493,909	-	493,909
Prepayments	2,991	-	2,991
Total assets.	<u>\$ 43,143,070</u>	<u>\$ 187,042</u>	<u>\$ 43,330,112</u>
Liabilities:			
Accounts payable	\$ 111,536	\$ -	\$ 111,536
Contracts payable	1,451,544	-	1,451,544
Accrued wages and benefits payable	194,375	-	194,375
Interfund loans payable	4,046,592	-	4,046,592
Advances from other funds	776,000	-	776,000
Due to other governments	61,888	-	61,888
Total liabilities	<u>6,641,935</u>	<u>-</u>	<u>6,641,935</u>
Deferred inflows of resources:			
Accrued interest not available	21,578	88	21,666
Miscellaneous revenue not available	112,050	-	112,050
Intergovernmental revenue not available	15,251,563	-	15,251,563
Total deferred inflows of resources	<u>15,385,191</u>	<u>88</u>	<u>15,385,279</u>
Fund Balances:			
Nonspendable	496,900	102,228	599,128
Restricted	24,457,283	84,726	24,542,009
Unassigned	(3,838,239)	-	(3,838,239)
Total fund balances.	<u>21,115,944</u>	<u>186,954</u>	<u>21,302,898</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,143,070</u>	<u>\$ 187,042</u>	<u>\$ 43,330,112</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
State shared taxes.	\$ 8,928,533	\$ -	\$ 8,928,533
Charges for services.	588,472	-	588,472
Licenses and permits	28,227	-	28,227
Fines and forfeitures	587,233	-	587,233
Intergovernmental.	13,887,276	-	13,887,276
Special assessments	124,514	-	124,514
Investment income	236,148	1,052	237,200
Increase in fair value of investments.	351,018	1,284	352,302
Other	4,452,024	-	4,452,024
Total revenues	29,183,445	2,336	29,185,781
Expenditures:			
Current:			
General government:			
Community development and neighborhoods.	6,945,580	-	6,945,580
Economic development	4,531,451	-	4,531,451
Leadership and quality of life	11,428,396	-	11,428,396
Corporate responsibility.	848,771	-	848,771
Public safety and justice.	8,017,067	-	8,017,067
Total expenditures.	31,771,265	-	31,771,265
Excess (deficiency) of revenues over (under) expenditures.	(2,587,820)	2,336	(2,585,484)
Other financing sources:			
Transfers in	289,836	-	289,836
Total other financing sources	289,836	-	289,836
Net change in fund balances	(2,297,984)	2,336	(2,295,648)
Fund balances at beginning of year	23,413,928	184,618	23,598,546
Fund balances at end of year	\$ 21,115,944	\$ 186,954	\$ 21,302,898

CITY OF DAYTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Assets:			
Equity in pooled cash and investments	\$ 3,242,216	\$ 685,789	\$ 18,824,199
Receivables:			
Accounts	104,576	-	25,640
Accrued interest	-	-	42,601
Due from other governments	3,188,393	255,296	50,587
Loans receivable	-	-	-
Materials and supplies inventory	486,718	-	7,191
Prepayments	-	-	982
Total assets	<u>\$ 7,021,903</u>	<u>\$ 941,085</u>	<u>\$ 18,951,200</u>
Liabilities:			
Accounts payable	\$ 57,584	\$ -	\$ -
Contracts payable	177,389	1,056	199,184
Accrued wages and benefits payable	123,271	-	15,822
Interfund loans payable	-	-	-
Advances from other funds	-	-	-
Due to other governments	25,764	-	6,413
Total liabilities	<u>384,008</u>	<u>1,056</u>	<u>221,419</u>
Deferred inflows of resources:			
Accrued interest not available	-	-	17,368
Miscellaneous revenue not available	94,683	-	2,081
Intergovernmental revenue not available	2,066,250	167,535	-
Total deferred inflows of resources	<u>2,160,933</u>	<u>167,535</u>	<u>19,449</u>
Fund Balances:			
Nonspendable	486,718	-	8,173
Restricted	3,990,244	772,494	18,702,159
Unassigned	-	-	-
Total fund balances	<u>4,476,962</u>	<u>772,494</u>	<u>18,710,332</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,021,903</u>	<u>\$ 941,085</u>	<u>\$ 18,951,200</u>

HUD Programs	Miscellaneous Grants	Total
\$ 403,766	\$ -	\$ 23,155,970
15,286	-	145,502
-	10,327	52,928
4,331,376	9,193,419	17,019,071
2,272,699	-	2,272,699
-	-	493,909
-	2,009	2,991
<u>\$ 7,023,127</u>	<u>\$ 9,205,755</u>	<u>\$ 43,143,070</u>
\$ 11,199	\$ 42,753	\$ 111,536
860,403	213,512	1,451,544
27,568	27,714	194,375
-	4,046,592	4,046,592
776,000	-	776,000
8,909	20,802	61,888
<u>1,684,079</u>	<u>4,351,373</u>	<u>6,641,935</u>
-	4,210	21,578
15,286	-	112,050
<u>4,331,376</u>	<u>8,686,402</u>	<u>15,251,563</u>
<u>4,346,662</u>	<u>8,690,612</u>	<u>15,385,191</u>
-	2,009	496,900
992,386	-	24,457,283
-	(3,838,239)	(3,838,239)
<u>992,386</u>	<u>(3,836,230)</u>	<u>21,115,944</u>
<u>\$ 7,023,127</u>	<u>\$ 9,205,755</u>	<u>\$ 43,143,070</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, 2023

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Revenues:			
State shared taxes	\$ 7,064,445	\$ 530,683	\$ 1,333,405
Charges for services	52,082	-	262,698
Licenses and permits	-	-	28,227
Fines and forfeitures	-	-	18,261
Intergovernmental	-	-	-
Special assessments	-	-	105,007
Investment income	-	-	189,412
Increase in fair value of investments	-	-	282,910
Other	<u>18,384</u>	<u>-</u>	<u>3,806,738</u>
Total revenues	<u>7,134,911</u>	<u>530,683</u>	<u>6,026,658</u>
Expenditures:			
Current:			
General government:			
Community development and neighborhoods	-	-	376,458
Economic development	-	-	1,087,971
Leadership and quality of life	7,124,329	517,309	608,639
Corporate responsibility	295	-	848,476
Public safety and justice	<u>-</u>	<u>-</u>	<u>1,959,188</u>
Total expenditures	<u>7,124,624</u>	<u>517,309</u>	<u>4,880,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,287</u>	<u>13,374</u>	<u>1,145,926</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	10,287	13,374	1,145,926
Fund balances at beginning of year	<u>4,466,675</u>	<u>759,120</u>	<u>17,564,406</u>
Fund balances at end of year	<u>\$ 4,476,962</u>	<u>\$ 772,494</u>	<u>\$ 18,710,332</u>

HUD Programs	Miscellaneous Grants	Total
\$ -	\$ -	\$ 8,928,533
44,541	229,151	588,472
-	-	28,227
-	568,972	587,233
9,952,009	3,935,267	13,887,276
19,507	-	124,514
-	46,736	236,148
-	68,108	351,018
520,806	106,096	4,452,024
<u>10,536,863</u>	<u>4,954,330</u>	<u>29,183,445</u>
6,184,137	384,985	6,945,580
-	3,443,480	4,531,451
3,071,890	106,229	11,428,396
-	-	848,771
-	6,057,879	8,017,067
<u>9,256,027</u>	<u>9,992,573</u>	<u>31,771,265</u>
<u>1,280,836</u>	<u>(5,038,243)</u>	<u>(2,587,820)</u>
<u>181,952</u>	<u>107,884</u>	<u>289,836</u>
<u>181,952</u>	<u>107,884</u>	<u>289,836</u>
1,462,788	(4,930,359)	(2,297,984)
(470,402)	1,094,129	23,413,928
<u>\$ 992,386</u>	<u>\$ (3,836,230)</u>	<u>\$ 21,115,944</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, 2023

	<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	\$ 7,355,900	\$ 7,355,900	\$ 7,069,842	\$ (286,058)
Charges for services	-	-	52,082	52,082
Other	105,000	105,000	120,686	15,686
Total revenues.	<u>7,460,900</u>	<u>7,460,900</u>	<u>7,242,610</u>	<u>(218,290)</u>
Expenditures:				
Department of public works	7,221,200	7,421,200	6,907,003	514,197
Total expenditures.	<u>7,221,200</u>	<u>7,421,200</u>	<u>6,907,003</u>	<u>514,197</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>239,700</u>	<u>39,700</u>	<u>335,607</u>	<u>295,907</u>
Other financing sources:				
Transfers in	2,527,200	2,527,200	2,527,119	(81)
Transfers out	<u>(2,527,200)</u>	<u>(2,527,200)</u>	<u>(2,527,119)</u>	<u>81</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	239,700	39,700	335,607	295,907
Fund balance at beginning of year.	3,369,544	3,369,544	3,369,544	-
Prior year encumbrances appropriated.	45,313	45,313	45,313	-
Fund balance at end of year.	<u>\$ 3,654,557</u>	<u>\$ 3,454,557</u>	<u>\$ 3,750,464</u>	<u>\$ 295,907</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, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State shared taxes	\$ 538,500	\$ 538,500	\$ 530,383	\$ (8,117)
Other	-	-	-	-
Total revenues.	<u>538,500</u>	<u>538,500</u>	<u>530,383</u>	<u>(8,117)</u>
Expenditures:				
Department of public works	<u>584,800</u>	<u>584,800</u>	<u>563,790</u>	<u>21,010</u>
Total expenditures.	<u>584,800</u>	<u>584,800</u>	<u>563,790</u>	<u>21,010</u>
Net change in fund balance	(46,300)	(46,300)	(33,407)	12,893
Fund balance at beginning of year.	700,132	700,132	700,132	-
Prior year encumbrances appropriated.	19,040	19,040	19,040	-
Fund balance at end of year.	<u>\$ 672,872</u>	<u>\$ 672,872</u>	<u>\$ 685,765</u>	<u>\$ 12,893</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, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 189,635	\$ 196,335	\$ 262,698	\$ 66,363
Fines and forfeitures	22,000	22,000	18,261	(3,739)
Special assessments	-	-	105,007	105,007
Other	4,654,600	4,704,600	6,858,047	2,153,447
Total revenues.	<u>4,866,235</u>	<u>4,922,935</u>	<u>7,244,013</u>	<u>2,321,078</u>
Expenditures:				
Various departments	9,523,928	9,666,028	6,046,374	3,619,654
Total expenditures.	<u>9,523,928</u>	<u>9,666,028</u>	<u>6,046,374</u>	<u>3,619,654</u>
Net change in fund balance.	(4,657,693)	(4,743,093)	1,197,639	5,940,732
Fund balance at beginning of year.	18,233,516	18,233,516	18,233,516	-
Prior year encumbrances appropriated.	<u>1,149,592</u>	<u>1,149,592</u>	<u>1,149,592</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,725,415</u>	<u>\$ 14,640,015</u>	<u>\$ 20,580,747</u>	<u>\$ 5,940,732</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, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 14,367,109	\$ 22,069,182	\$ 3,731,394	\$ (18,337,788)
Fines and forfeitures	607,308	607,308	568,972	(38,336)
Charges for services	508,382	279,358	229,151	(50,207)
Other	<u>12,351,768</u>	<u>6,534,154</u>	<u>148,826</u>	<u>(6,385,328)</u>
Total revenues.	<u>27,834,567</u>	<u>29,490,002</u>	<u>4,678,343</u>	<u>(24,811,659)</u>
Expenditures:				
Other grants	<u>26,762,573</u>	<u>29,762,573</u>	<u>18,353,773</u>	<u>11,408,800</u>
Total expenditures.	<u>26,762,573</u>	<u>29,762,573</u>	<u>18,353,773</u>	<u>11,408,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,071,994</u>	<u>(272,571)</u>	<u>(13,675,430)</u>	<u>(13,402,859)</u>
Other financing sources:				
Transfers in	<u>175,000</u>	<u>272,571</u>	<u>140,548</u>	<u>(132,023)</u>
Total other financing sources	<u>175,000</u>	<u>272,571</u>	<u>140,548</u>	<u>(132,023)</u>
Net change in fund balances	1,246,994	-	(13,534,882)	(13,534,882)
Fund balance at beginning of year.	1,141,449	1,141,449	1,141,449	-
Prior year encumbrances appropriated.	8,373,791	8,373,791	8,373,791	-
Fund balance at end of year	<u>\$ 10,762,234</u>	<u>\$ 9,515,240</u>	<u>\$ (4,019,642)</u>	<u>\$ (13,534,882)</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, 2023

	<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	\$ -	\$ -	969	\$ 969
Total revenues.	-	-	969	969
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)	969	50,969
Fund balance at beginning of year.	<u>252,050</u>	<u>252,050</u>	<u>252,050</u>	<u>-</u>
Fund balance at end of year	<u>\$ 202,050</u>	<u>\$ 202,050</u>	<u>\$ 253,019</u>	<u>\$ 50,969</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, 2023

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Property and other taxes.	\$ 7,961,200	\$ 8,642,700	\$ 8,118,552	\$ (524,148)
Intergovernmental.	978,900	978,900	967,062	(11,838)
Other	410,000	410,000	422,688	12,688
Total revenues.	<u>9,350,100</u>	<u>10,031,600</u>	<u>9,508,302</u>	<u>(523,298)</u>
Expenditures:				
Department of finance	11,282,500	11,282,500	11,223,783	58,717
Total expenditures.	<u>11,282,500</u>	<u>11,282,500</u>	<u>11,223,783</u>	<u>58,717</u>
Excess of expenditures over revenues	<u>(1,932,400)</u>	<u>(1,250,900)</u>	<u>(1,715,481)</u>	<u>(464,581)</u>
Other financing sources:				
Transfers in	940,200	940,200	932,185	(8,015)
Total other financing sources	<u>940,200</u>	<u>940,200</u>	<u>932,185</u>	<u>(8,015)</u>
Net change in fund balance	(992,200)	(310,700)	(783,296)	(472,596)
Fund balance at beginning of year.	34,812,659	34,812,659	34,812,659	-
Balance sheet adjustments.	<u>38,612</u>	<u>38,612</u>	<u>38,612</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,859,071</u>	<u>\$ 34,540,571</u>	<u>\$ 34,067,975</u>	<u>\$ (472,596)</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, 2023

	<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	\$ -	\$ -	\$ 2,174,244	\$ 2,174,244
Total revenues.	-	-	2,174,244	2,174,244
Expenditures:				
Other	120,324,248	93,771,248	63,495,793	30,275,455
Total expenditures.	120,324,248	93,771,248	63,495,793	30,275,455
Excess of expenditures over revenues	(120,324,248)	(93,771,248)	(61,321,549)	32,449,699
Other financing sources:				
Transfers in	-	15,044,100	15,044,100	-
Transfers out	-	(26,553,000)	-	26,553,000
Total other financing sources	-	(11,508,900)	15,044,100	26,553,000
Net change in fund balance	(120,324,248)	(105,280,148)	(46,277,449)	59,002,699
Fund balance at beginning of year.	120,933,414	120,933,414	120,933,414	-
Prior year encumbrances appropriated.	25,317,598	25,317,598	25,317,598	-
Fund balance at end of year	<u>\$ 25,926,764</u>	<u>\$ 40,970,864</u>	<u>\$ 99,973,563</u>	<u>\$ 59,002,699</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, 2023

	<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.	\$ 389,513	\$ 160,445	\$ 717,319	\$ 13,674,271
Receivables:				
Accounts.	1,383	-	-	-
Accrued interest	-	-	-	-
Due from other governments.	27,892	10,274	-	-
Inventory held for resale	213,614	266,032	-	-
Prepayments	3,730	-	-	-
Advances to other funds	-	-	-	-
Total current assets.	<u>636,132</u>	<u>436,751</u>	<u>717,319</u>	<u>13,674,271</u>
Noncurrent assets:				
Net pension asset	32,681	5,404	857	3,002
Capital assets:				
Land	-	75,000	-	-
Depreciable capital assets, net	<u>229,633</u>	<u>558,226</u>	<u>-</u>	<u>-</u>
Total noncurrent assets.	<u>262,314</u>	<u>638,630</u>	<u>857</u>	<u>3,002</u>
Total assets.	<u>898,446</u>	<u>1,075,381</u>	<u>718,176</u>	<u>13,677,273</u>
Deferred outflows of resources:				
Asset retirement obligation	2,070,000	-	-	-
Pension	1,947,686	758,387	46,945	160,970
OPEB	<u>273,694</u>	<u>163,910</u>	<u>7,392</u>	<u>25,192</u>
Total deferred outflows of resources	<u>4,291,380</u>	<u>922,297</u>	<u>54,337</u>	<u>186,162</u>
Total assets and deferred outflows of resources	<u>5,189,826</u>	<u>1,997,678</u>	<u>772,513</u>	<u>13,863,435</u>
Liabilities:				
Current liabilities:				
Accounts payable.	56,800	-	1,864	25,442
Accrued wages and benefits payable.	126,405	35,275	1,648	11,434
Due to other governments	79,215	8,129	837	2,810
Due to primary governments	2,070,000	-	-	-
Compensated absences payable - current.	141,410	38,547	3,908	13,091
Claims and judgments payable - current	-	-	-	2,283,714
Total current liabilities	<u>2,473,830</u>	<u>81,951</u>	<u>8,257</u>	<u>2,336,491</u>
Long-term liabilities:				
Compensated absences payable	61,315	16,714	1,694	5,676
Net OPEB liability	88,920	60,950	2,333	8,168
Net pension liability	4,193,980	1,310,522	110,035	385,234
Claims and judgements payable	-	-	-	-
Total long-term liabilities	<u>4,344,215</u>	<u>1,388,186</u>	<u>114,062</u>	<u>399,078</u>
Total liabilities	<u>6,818,045</u>	<u>1,470,137</u>	<u>122,319</u>	<u>2,735,569</u>
Deferred inflows of resources:				
OPEB.	29,326	138,228	1,155	2,693
Pension.	<u>4,532</u>	<u>100,196</u>	<u>1,338</u>	<u>731</u>
Total deferred inflows of resources.	<u>33,858</u>	<u>238,424</u>	<u>2,493</u>	<u>3,424</u>
Total liabilities and deferred inflows of resources	<u>6,851,903</u>	<u>1,708,561</u>	<u>124,812</u>	<u>2,738,993</u>
Net position:				
Net investment in capital assets	229,633	633,226	-	-
Restricted for pension & OPEB	32,681	5,404	857	3,002
Unrestricted (deficit).	<u>(1,924,391)</u>	<u>(349,513)</u>	<u>646,844</u>	<u>11,121,440</u>
Total net position (deficit)	<u>\$ (1,662,077)</u>	<u>\$ 289,117</u>	<u>\$ 647,701</u>	<u>\$ 11,124,442</u>

Workers' Compensation	Plumbing Shop	Total
\$ 20,661,776	\$ 453,586	\$ 36,056,910
-	-	1,383
81,114	-	81,114
-	-	38,166
-	-	479,646
-	-	3,730
3,225,000	-	3,225,000
<u>23,967,890</u>	<u>453,586</u>	<u>39,885,949</u>
5,904	4,585	52,433
-	-	75,000
-	77,004	864,863
<u>5,904</u>	<u>81,589</u>	<u>992,296</u>
<u>23,973,794</u>	<u>535,175</u>	<u>40,878,245</u>
-	-	2,070,000
330,080	248,459	3,492,527
48,660	37,652	556,500
<u>378,740</u>	<u>286,111</u>	<u>6,119,027</u>
<u>24,352,534</u>	<u>821,286</u>	<u>46,997,272</u>
9,143	-	93,249
17,494	18,901	211,157
6,166	4,710	101,867
-	-	2,070,000
36,532	29,885	263,373
1,277,139	-	3,560,853
<u>1,346,474</u>	<u>53,496</u>	<u>6,300,499</u>
15,841	12,958	114,198
16,064	12,475	188,910
757,674	588,391	7,345,836
3,255,413	-	3,255,413
<u>4,044,992</u>	<u>613,824</u>	<u>10,904,357</u>
<u>5,391,466</u>	<u>667,320</u>	<u>17,204,856</u>
6,863	7,261	185,526
10,100	17,085	133,982
16,963	24,346	319,508
<u>5,408,429</u>	<u>691,666</u>	<u>17,524,364</u>
-	77,004	939,863
5,904	4,585	52,433
18,938,201	48,031	28,480,612
<u>\$ 18,944,105</u>	<u>\$ 129,620</u>	<u>\$ 29,472,908</u>

CITY OF DAYTON, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Fleet Management</u>	<u>Fire Fleet Management</u>	<u>Stores and Reproduction</u>	<u>Health Insurance</u>
Operating revenues:				
Charges for services	\$ 9,914,679	\$ 1,356,752	\$ 147,428	\$ 28,336,861
Other operating revenues	140,258	1,790	419,313	-
Total operating revenues.	<u>10,054,937</u>	<u>1,358,542</u>	<u>566,741</u>	<u>28,336,861</u>
Operating expenses:				
Personnel services	2,538,737	511,826	66,288	380,697
Fringe benefits.	1,210,055	246,069	11,016	142,329
Contract services.	1,241,303	208,563	102,080	4,188,696
Materials and supplies	204,724	-	389	1,280
Cost of sales	5,747,489	386,556	37,569	-
Utilities	964	21,531	-	-
Claims expense	-	-	-	22,168,300
Depreciation	35,536	22,346	-	-
Other.	14,396	5,119	12,654	179,572
Total operating expenses.	<u>10,993,204</u>	<u>1,402,010</u>	<u>229,996</u>	<u>27,060,874</u>
Operating income (loss)	<u>(938,267)</u>	<u>(43,468)</u>	<u>336,745</u>	<u>1,275,987</u>
Nonoperating revenues:				
Interest income.	-	-	-	-
Increase in fair value of investments	-	-	-	-
Total nonoperating revenues.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position.	(938,267)	(43,468)	336,745	1,275,987
Net position (deficit) at beginning of year.	<u>(723,810)</u>	<u>332,585</u>	<u>310,956</u>	<u>9,848,455</u>
Net position (deficit) at end of year	<u>\$ (1,662,077)</u>	<u>\$ 289,117</u>	<u>\$ 647,701</u>	<u>\$ 11,124,442</u>

Workers' Compensation	Plumbing Shop	Total
\$ 2,547,764	\$ 810,338	\$ 43,113,822
-	-	561,361
2,547,764	810,338	43,675,183
472,744	357,110	4,327,402
179,027	122,753	1,911,249
686,029	6,121	6,432,792
158,230	153,131	517,754
-	-	6,171,614
-	-	22,495
2,706,390	-	24,874,690
-	18,116	75,998
102,778	-	314,519
4,305,198	657,231	44,648,513
(1,757,434)	153,107	(973,330)
543,539	-	543,539
501,662	-	501,662
1,045,201	-	1,045,201
(712,233)	153,107	71,871
19,656,338	(23,487)	29,401,037
\$ 18,944,105	\$ 129,620	\$ 29,472,908

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<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 . . .	\$ 9,962,482	\$ 1,351,502	\$ 147,428	\$ 28,336,861
Cash received from other operations	140,258	1,790	419,313	-
Cash payments for personnel services	(2,509,928)	(494,189)	(66,054)	(377,995)
Cash payments for fringe benefits.	(1,009,792)	(235,485)	(35,662)	(105,097)
Cash payments for contractual services	(1,310,258)	(211,422)	(107,039)	(4,163,254)
Cash payments for materials and supplies	(174,557)	-	(3,345)	(1,280)
Cash payments for cost of goods sold	(5,748,114)	(368,535)	(37,569)	-
Cash payments for utilities.	(2,356)	(23,681)	-	-
Cash payments for claims.	-	-	-	(22,665,536)
Cash payments for other expenses	(14,396)	(5,119)	(15,284)	(179,572)
Net cash provided by (used in) operating activities. .	<u>(666,661)</u>	<u>14,861</u>	<u>301,788</u>	<u>844,127</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. . . .	(666,661)	14,861	301,788	844,127
Cash and cash equivalents at beginning of year.	<u>1,056,174</u>	<u>145,584</u>	<u>415,531</u>	<u>12,830,144</u>
Cash and cash equivalents at end of year	<u>\$ 389,513</u>	<u>\$ 160,445</u>	<u>\$ 717,319</u>	<u>\$ 13,674,271</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (938,267)	\$ (43,468)	\$ 336,745	\$ 1,275,987
Adjustments:				
Depreciation	35,536	22,346	-	-
Changes in assets, deferred inflows, liabilities and deferred outflows:				
Net pension asset.	17,333	2,095	625	2,277
Net OPEB asset.	386,879	58,006	11,461	40,836
Deferred outflows for OPEB.	(256,023)	(2,422)	(7,307)	(16,040)
Deferred outflows for pension.	(1,371,659)	(208,100)	(33,054)	(95,262)
Accounts receivable.	(676)	-	-	-
Due from other governments.	48,479	(5,250)	-	-
Prepayments.	(126)	691	-	-
Inventory held for resale.	(625)	30,557	-	-
Accounts payable.	(85,378)	(16,086)	(9,065)	25,442
Contracts payable.	-	(2,150)	-	-
Accrued wages and benefits.	17,267	15,448	95	5,658
Due to other governments.	54,152	2,734	(1,276)	463
Net pension liability.	3,112,993	743,059	78,011	271,132
Net OPEB liability.	88,920	(10,174)	2,333	8,168
Deferred inflows - pension.	(1,383,818)	(492,806)	(21,174)	(139,194)
Deferred inflows - OPEB.	(414,672)	(88,335)	(55,439)	(39,499)
Compensated absences payable.	23,024	8,716	(167)	1,395
Claims payable.	-	-	-	(497,236)
Net cash provided by (used in) operating activities . . .	<u>\$ (666,661)</u>	<u>\$ 14,861</u>	<u>\$ 301,788</u>	<u>\$ 844,127</u>

Workers' Compensation	Plumbing Shop	Total
\$ 2,547,764	\$ 810,338	\$ 43,156,375
-	-	561,361
(459,302)	(353,468)	(4,260,936)
(146,153)	(143,161)	(1,675,350)
(691,426)	(6,121)	(6,489,520)
(160,492)	(169,526)	(509,200)
-	-	(6,154,218)
-	-	(26,037)
(2,142,581)	-	(24,808,117)
(102,778)	-	(317,149)
<u>(1,154,968)</u>	<u>138,062</u>	<u>(522,791)</u>
<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>
<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>
<u>1,008,289</u>	<u>-</u>	<u>1,008,289</u>
<u>1,008,289</u>	<u>-</u>	<u>1,008,289</u>
1,403,321	138,062	2,035,498
19,258,455	315,524	34,021,412
<u>\$ 20,661,776</u>	<u>\$ 453,586</u>	<u>\$ 36,056,910</u>
\$ (1,757,434)	\$ 153,107	\$ (973,330)
-	18,116	75,998
3,787	3,201	29,318
74,961	60,225	632,368
(37,739)	(35,546)	(355,077)
(224,576)	(173,134)	(2,105,785)
-	-	(676)
-	-	43,229
-	-	565
-	-	29,932
(5,448)	(16,395)	(106,930)
(2,211)	-	(4,361)
5,981	728	45,177
1,690	1,351	59,114
548,224	420,115	5,173,534
16,064	12,475	117,786
(279,109)	(246,620)	(2,562,721)
(75,134)	(63,137)	(736,216)
12,167	3,576	48,711
563,809	-	66,573
<u>\$ (1,154,968)</u>	<u>\$ 138,062</u>	<u>\$ (522,791)</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, 2023

	<u>Municipal Court</u>	<u>Executive Severance</u>	<u>Miami Township Dayton JEDD</u>	<u>Building Permit Surcharge</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ -	\$ 1,496,954	\$ 135,992
Cash with fiscal agent	805,772	-	-	-
Investments	-	1,354,810	-	-
Receivables:				
Taxes - current	-	-	-	-
Income taxes	-	-	94,368	-
Total assets	<u>\$ 805,772</u>	<u>\$ 1,354,810</u>	<u>\$ 1,591,322</u>	<u>\$ 135,992</u>
Liabilities:				
Due to other governments	\$ 30,456	\$ -	\$ -	\$ -
Due to other funds	289,634	-	-	-
Total liabilities	<u>320,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Restricted for individuals, organizations and other governments .	<u>485,682</u>	<u>1,354,810</u>	<u>1,591,322</u>	<u>135,992</u>
Total net position	<u>\$ 485,682</u>	<u>\$ 1,354,810</u>	<u>\$ 1,591,322</u>	<u>\$ 135,992</u>

Butler Township Dayton JEDD	Special Improvement District	Engergy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ 92,565	\$ -	\$ 425,560	\$ 2,626,231	\$ 4,777,302
-	-	-	-	805,772
-	-	-	-	1,354,810
-	3,489,126	15,739,322	-	19,228,448
44,777	-	-	-	139,145
<u>\$ 137,342</u>	<u>\$ 3,489,126</u>	<u>\$ 16,164,882</u>	<u>\$ 2,626,231</u>	<u>\$ 26,305,477</u>
\$ -	\$ -	\$ -	\$ -	\$ 30,456
-	-	-	-	289,634
-	-	-	-	320,090
137,342	3,489,126	16,164,882	2,626,231	25,985,387
<u>\$ 137,342</u>	<u>\$ 3,489,126</u>	<u>\$ 16,164,882</u>	<u>\$ 2,626,231</u>	<u>\$ 25,985,387</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Municipal Court</u>	<u>Executive Severance</u>	<u>Miami Township Dayton JEDD</u>
Additions:			
Amounts received as fiscal agent	\$ -	\$ 223,152	\$ -
Licenses, permits and fees for other governments	-	-	-
Fines and forfeitures for other governments	6,786,453	-	-
Property tax collection for other governments	-	-	805,171
Earnings on investments	-	44,875	-
Fair value adjustment	-	15,474	-
Total additions	<u>6,786,453</u>	<u>283,501</u>	<u>805,171</u>
Deductions:			
<i>Current:</i>			
Distributions to the State of Ohio	422,926	-	-
Distributions of state funds to other governments	6,383,322	-	-
Distributions to individuals	-	140,906	-
Licenses, permits and fees distributions to other governments	-	-	-
Property tax distributions to other governments	-	-	421,450
Special assessment distributions to other governments	-	-	-
Other custodial fund disbursements	-	10,126	-
Total deductions	<u>6,806,248</u>	<u>151,032</u>	<u>421,450</u>
Net change in fiduciary net position	(19,795)	132,469	383,721
Net position at beginning of year	<u>505,477</u>	<u>1,222,341</u>	<u>1,207,601</u>
Net position at end of year	<u>\$ 485,682</u>	<u>\$ 1,354,810</u>	<u>\$ 1,591,322</u>

Building Permit Surcharge	Butler Township Dayton JEDD	Special Improvement District	Engergy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ 475,564	\$ 698,716
86,227	-	-	-	-	86,227
-	-	-	-	-	6,786,453
-	62,135	-	-	-	867,306
-	-	-	-	-	44,875
-	-	-	-	-	15,474
<u>86,227</u>	<u>62,135</u>	<u>-</u>	<u>-</u>	<u>475,564</u>	<u>8,499,051</u>
-	-	-	-	-	422,926
-	-	-	-	-	6,383,322
-	-	-	-	580,862	721,768
44,163	-	-	-	-	44,163
-	8,851	-	-	-	430,301
-	-	1,681,000	4,284,453	-	5,965,453
-	-	-	-	-	10,126
<u>44,163</u>	<u>8,851</u>	<u>1,681,000</u>	<u>4,284,453</u>	<u>580,862</u>	<u>13,978,059</u>
42,064	53,284	(1,681,000)	(4,284,453)	(105,298)	(5,479,008)
93,928	84,058	5,170,126	20,449,335	2,731,529	31,464,395
<u>\$ 135,992</u>	<u>\$ 137,342</u>	<u>\$ 3,489,126</u>	<u>\$ 16,164,882</u>	<u>\$ 2,626,231</u>	<u>\$ 25,985,387</u>

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Statistical

STATISTICAL

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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>2014 (2)</u>	<u>2015</u>	<u>2016 (1)</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 380,538,467	\$ 378,194,645	\$ 372,458,561	\$ 398,432,088
Restricted	60,235,431	63,381,287	57,403,783	46,244,345
Unrestricted	(29,254,490)	(28,570,356)	(29,568,811)	(55,083,379)
Total governmental activities net position	<u>\$ 411,519,408</u>	<u>\$ 413,005,576</u>	<u>\$ 400,293,533</u>	<u>\$ 389,593,054</u>
 Business-type activities				
Net investment in capital assets	\$ 420,343,386	\$ 451,108,014	\$ 461,538,909	\$ 481,494,371
Restricted	-	-	9,514,757	9,737,907
Unrestricted	161,812,038	149,357,573	145,505,912	122,254,672
Total business-type activities net position	<u>\$ 582,155,424</u>	<u>\$ 600,465,587</u>	<u>\$ 616,559,578</u>	<u>\$ 613,486,950</u>
 Primary government				
Net investment in capital assets	\$ 800,881,853	\$ 829,302,659	\$ 833,997,470	\$ 879,926,459
Restricted	60,235,431	63,381,287	66,918,540	55,982,252
Unrestricted	132,557,548	120,787,217	115,937,101	67,171,293
Total primary government net position	<u>\$ 993,674,832</u>	<u>\$ 1,013,471,163</u>	<u>\$ 1,016,853,111</u>	<u>\$ 1,003,080,004</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.

(3) Amounts have been restated to reflect the implementation of GASB Statement No. 96, which was implemented in 2023.

Source: City of Dayton financial records

	2018	2019	2020	2021	2022 (3)	2023
\$	395,757,572	\$ 401,873,312	\$ 405,787,507	\$ 421,566,784	\$ 422,660,216	\$ 417,567,275
	38,778,126	45,569,063	76,866,903	76,598,587	101,513,886	88,678,231
	(189,850,322)	(114,059,783)	(124,725,645)	(58,065,897)	(7,199,250)	56,512,984
\$	<u>244,685,376</u>	<u>\$ 333,382,592</u>	<u>\$ 357,928,765</u>	<u>\$ 440,099,474</u>	<u>\$ 516,974,852</u>	<u>\$ 562,758,490</u>
\$	462,984,698	\$ 457,088,828	\$ 427,503,269	\$ 460,888,412	\$ 444,340,977	\$ 438,224,270
	11,039,351	12,324,022	12,170,942	33,465,120	14,038,741	14,994,727
	94,581,275	91,104,171	122,758,990	110,048,573	159,680,572	196,959,300
\$	<u>568,605,324</u>	<u>\$ 560,517,021</u>	<u>\$ 562,433,201</u>	<u>\$ 604,402,105</u>	<u>\$ 618,060,290</u>	<u>\$ 650,178,297</u>
\$	858,742,270	\$ 858,962,140	\$ 833,290,776	\$ 882,455,196	\$ 867,001,193	\$ 855,791,545
	49,817,477	57,893,085	89,037,845	110,063,707	115,552,627	103,672,958
	(95,269,047)	(22,955,612)	(1,966,655)	51,982,676	152,481,322	253,472,284
\$	<u>813,290,700</u>	<u>\$ 893,899,613</u>	<u>\$ 920,361,966</u>	<u>\$ 1,044,501,579</u>	<u>\$ 1,135,035,142</u>	<u>\$ 1,212,936,787</u>

CITY OF DAYTON, OHIO

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

	2014	2015	2016	2017
Expenses				
Governmental activities:				
Downtown	\$ 3,973,957	\$ 3,796,899	\$ 3,653,125	\$ 3,204,951
Youth, education and human services	3,499,722	550,914	120,375	219,529
Community development and neighbors	22,225,850	23,517,538	20,766,486	20,646,893
Economic development	13,940,292	15,401,684	10,273,961	26,135,222
Leadership and quality of life	42,943,946	46,597,492	43,181,443	43,843,557
Corporate responsibility	14,189,753	15,284,297	16,482,483	18,800,773
Public safety and justice	90,511,356	97,757,003	107,505,250	110,670,677
Interest and fiscal charges	2,803,443	2,942,225	3,074,675	2,845,159
Total governmental activities expenses	194,088,319	205,848,052	205,057,798	226,366,761
Business type activities:				
Dayton International Airport	41,476,361	42,627,742	39,640,671	45,920,196
Water	46,245,372	45,493,204	49,944,784	56,194,400
Sewer	29,448,754	28,009,025	30,326,605	32,211,627
Golf (1)	2,957,656	3,026,642	2,991,868	3,114,227
Storm Water	5,480,442	5,662,740	5,700,888	7,110,595
Total business-type activities expenses	125,608,585	124,819,353	128,604,816	144,551,045
Total primary government expenses	\$ 319,696,904	\$ 330,667,405	\$ 333,662,614	\$ 370,917,806
Program Revenues				
Governmental activities:				
Charges for services:				
Downtown	\$ 572,477	\$ 659,723	\$ 625,740	\$ 472,445
Youth, education and human services	7,965	27,903	18,846	15,681
Community development and neighbors	3,017,823	2,675,576	2,394,632	2,210,260
Economic development	6,401,968	2,769,150	2,237,230	2,821,264
Leadership and quality of life	13,688,808	5,811,184	7,049,529	5,968,710
Corporate responsibility	2,850,358	2,834,131	2,738,963	2,558,164
Public safety and justice	25,704,452	20,823,804	18,653,411	17,943,019
Interest and fiscal charges	158,829	168,771	-	-
Operating grants and contributions	25,909,216	21,715,944	15,921,133	14,355,175
Capital grants and contributions	7,184,234	8,771,868	13,275,111	12,766,815
Total governmental activities program revenue	85,496,130	66,258,054	62,914,595	59,111,533
Business type activities:				
Charges for services:				
Dayton International Airport	26,454,375	24,974,019	26,086,061	27,065,242
Water	47,702,941	47,377,507	49,912,404	48,891,167
Sewer	32,034,019	33,960,790	32,309,554	33,845,779
Golf (1)	2,874,737	2,923,295	2,780,282	2,746,574
Storm Water	7,330,340	7,432,885	7,359,366	7,534,843
Operating grants and contributions	-	-	-	-
Capital grants and contributions	7,939,351	14,318,883	13,605,971	6,176,726
Total business-type activities program revenue	124,335,763	130,987,379	132,053,638	126,260,331
Total primary government program revenue	\$ 209,831,893	\$ 197,245,433	\$ 194,968,233	\$ 185,371,864

	2018	2019	2020	2021	2022	2023
\$	3,248,268	\$ 2,726,408	\$ 2,128,879	\$ 560,443	\$ 69,808	\$ 173,790
	3,619	54,866	4,014	28,886	27,506	50,002
	25,798,079	25,254,863	22,154,456	15,369,506	23,938,856	25,972,299
	10,043,435	8,674,622	11,237,840	8,118,338	14,075,369	13,668,046
	50,250,202	49,329,265	60,544,385	40,717,452	41,544,959	96,071,386
	19,535,052	20,580,700	19,467,597	12,141,683	15,269,428	23,548,118
	124,347,547	38,043,371	125,260,086	109,349,041	114,040,610	138,484,403
	2,860,206	2,981,938	2,694,531	2,183,217	2,375,389	2,848,225
	<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>	<u>300,816,269</u>
	68,544,041	43,623,230	40,744,537	31,775,566	36,580,249	39,686,041
	55,222,198	65,547,601	57,012,675	39,923,711	49,184,442	55,028,694
	33,486,248	38,112,769	33,613,614	25,547,369	36,513,792	38,737,619
	3,192,165	3,508,726	585,719	-	-	-
	7,633,423	8,595,536	7,770,296	3,487,403	7,223,546	7,034,888
	<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>140,487,242</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>	<u>\$ 441,303,511</u>
\$	425,925	\$ 397,109	\$ 266,479	\$ 128,476	\$ 378	\$ 13,932
	7,987	8,736	7,935	11,315	6,162	8,697
	2,299,222	2,905,272	2,758,521	3,249,846	3,543,283	4,189,717
	1,706,782	1,696,878	2,641,536	1,713,595	2,208,754	2,743,486
	7,571,863	12,126,655	9,647,147	7,720,438	6,098,456	7,475,407
	2,739,745	2,746,217	2,866,338	3,932,288	4,065,086	4,344,973
	20,355,926	21,739,918	23,164,177	22,346,697	26,250,227	28,262,931
	-	-	-	-	-	-
	17,511,214	13,610,856	39,311,609	43,953,799	59,510,561	68,454,352
	6,064,308	4,755,050	10,370,526	5,151,276	6,437,120	8,202,946
	<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>	<u>123,696,441</u>
	23,842,686	24,446,146	14,326,887	18,720,432	19,894,551	25,541,278
	51,561,435	50,886,932	51,143,602	54,546,618	51,407,290	55,638,873
	32,627,154	32,593,511	34,921,059	35,964,030	38,626,803	41,157,625
	2,733,253	3,043,272	730,063	-	-	-
	7,781,552	7,700,065	8,223,565	8,703,178	8,093,270	8,563,721
	-	-	7,906,697	6,204,905	-	-
	13,758,080	10,379,327	10,484,424	7,591,007	14,537,051	18,943,007
	<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>149,844,504</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>	<u>\$ 273,540,945</u>

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CITY OF DAYTON, OHIO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(CONTINUED)

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense)/Revenue				
Governmental activities	\$ (108,592,189)	\$ (139,589,998)	\$ (142,143,203)	\$ (167,255,228)
Business-type activities	(1,272,822)	6,168,026	3,448,822	(18,290,714)
Total primary government net expense	<u>\$ (109,865,011)</u>	<u>\$ (133,421,972)</u>	<u>\$ (138,694,381)</u>	<u>\$ (185,545,942)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 12,918,102	\$ 12,155,647	\$ 12,530,977	\$ 9,749,960
Income taxes	103,721,834	107,633,425	109,275,331	125,253,442
Payments in lieu of taxes	1,771,683	1,599,086	1,639,517	1,997,895
Grants and entitlements	15,529,135	14,236,917	14,475,022	13,618,351
Investment earnings and fair value adjustment	1,722,766	1,852,285	2,258,330	2,118,284
Miscellaneous	3,453,599	3,598,806	3,399,230	4,334,317
Special item	-	-	-	-
Transfers	(360,000)	-	(501,000)	(517,500)
Total governmental activities general revenues	<u>138,757,119</u>	<u>141,076,166</u>	<u>143,077,407</u>	<u>156,554,749</u>
Business type activities:				
Investment earnings	485,592	535,994	863,088	1,552,267
Miscellaneous	12,044,998	11,606,143	12,535,999	13,148,319
Special item	-	-	-	-
Transfers	360,000	-	501,000	517,500
Total business-type activities	<u>12,890,590</u>	<u>12,142,137</u>	<u>13,900,087</u>	<u>15,218,086</u>
Total primary government	<u>\$ 151,647,709</u>	<u>\$ 153,218,303</u>	<u>\$ 156,977,494</u>	<u>\$ 171,772,835</u>
Changes in Net Position				
Governmental activities	\$ 30,164,930	\$ 1,486,168	\$ 934,204	\$ (10,700,479)
Business-type activities	11,617,768	18,310,163	17,348,909	(3,072,628)
Total primary government	<u>\$ 41,782,698</u>	<u>\$ 19,796,331</u>	<u>\$ 18,283,113</u>	<u>\$ (13,773,107)</u>

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

Source: City of Dayton financial records

	2018	2019	2020	2021	2022	2023
\$	(177,403,436)	\$ (87,659,342)	\$ (152,457,520)	\$ (100,260,836)	\$ (103,221,898)	\$ (177,119,828)
	(35,773,915)	(30,338,609)	(11,990,544)	30,996,121	3,056,936	9,357,262
\$	(213,177,351)	\$ (117,997,951)	\$ (164,448,064)	\$ (69,264,715)	\$ (100,164,962)	\$ (167,762,566)
\$	12,108,678	\$ 12,690,158	\$ 13,989,145	\$ 14,240,066	\$ 13,685,283	\$ 14,704,042
	128,707,187	134,065,969	133,827,851	147,325,533	153,481,195	153,226,419
	1,816,290	1,473,194	2,046,235	1,735,177	1,645,403	3,143,434
	12,253,756	14,796,558	12,900,243	14,736,982	17,997,082	9,524,381
	3,247,089	5,007,325	2,932,744	(229,581)	(10,649,360)	11,616,808
	4,916,381	5,093,872	8,547,703	4,623,368	3,376,795	30,688,382
	-	-	2,809,772	-	-	-
	(641,200)	(296,400)	(50,000)	-	-	-
	162,408,181	172,830,676	177,003,693	182,431,545	179,536,398	222,903,466
	2,979,857	5,084,705	2,501,826	(1,396,863)	(4,706,412)	11,053,017
	14,653,243	16,869,201	14,164,670	12,369,646	15,297,807	11,707,728
	-	-	(2,809,772)	-	-	-
	641,200	296,400	50,000	-	-	-
	18,274,300	22,250,306	13,906,724	10,972,783	10,591,395	22,760,745
\$	180,682,481	\$ 195,080,982	\$ 190,910,417	\$ 193,404,328	\$ 190,127,793	\$ 245,664,211
\$	(14,995,255)	\$ 85,171,334	\$ 24,546,173	\$ 82,170,709	\$ 76,314,500	\$ 45,783,638
	(17,499,615)	(8,088,303)	1,916,180	41,968,904	13,648,331	32,118,007
\$	(32,494,870)	\$ 77,083,031	\$ 26,462,353	\$ 124,139,613	\$ 89,962,831	\$ 77,901,645

CITY OF DAYTON, OHIO

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 11,113,881	\$ 10,582,684	\$ 11,130,189	\$ 4,204,941
Restricted	-	-	-	-
Committed	1,985,533	2,551,240	1,765,917	2,796,237
Assigned	21,268,158	20,365,988	26,532,688	22,539,046
Unassigned	27,221,281	28,939,568	23,499,869	32,724,803
Total general fund	\$ 61,588,853	\$ 62,439,480	\$ 62,928,663	\$ 62,265,027
Other Special Revenue				
Nonspendable	\$ 500	\$ 3,163	\$ -	\$ -
Restricted	5,420,505	5,782,016	-	-
Total other special revenue	\$ 5,421,005	\$ 5,785,179	\$ -	\$ -
Local Fiscal Recovery				
Committed	\$ -	\$ -	\$ -	\$ -
Total Local Fiscal Recovery	\$ -	\$ -	\$ -	\$ -
Debt Service Fund				
Restricted	\$ 26,915,684	\$ 27,686,642	\$ 28,459,284	\$ 28,241,475
Committed	419,906	408,494	416,466	422,416
Total debt service fund	\$ 27,335,590	\$ 28,095,136	\$ 28,875,750	\$ 28,663,891
Capital Improvement Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	15,704,146	9,434,711	17,575,596	5,126,467
Committed	8,310,682	7,302,188	7,875,468	7,284,916
Assigned	8,203,654	10,779,323	6,301,554	7,070,596
Total capital improvement fund	\$ 32,218,482	\$ 27,516,222	\$ 31,752,618	\$ 19,481,979
Other governmental Funds				
Nonspendable	\$ 102,228	\$ 102,228	\$ 914,376	\$ 756,993
Restricted	11,755,537	8,216,413	13,151,325	13,468,783
Unreserved (deficit), reported in:				
Special revenue funds	-	(209,996)	-	-
Total other governmental funds	\$ 11,857,765	\$ 8,108,645	\$ 14,065,701	\$ 14,225,776
Total Fund Balances, Governmental Funds	\$ 138,421,695	\$ 131,944,662	\$ 137,622,732	\$ 124,636,673

Source: City of Dayton financial records

	2018	2019	2020	2021	2022	2023
\$	4,117,426	\$ 16,099,839	\$ 15,387,882	\$ 15,363,267	\$ 15,862,644	\$ 17,215,493
	-	1,513,207	1,398,122	1,405,379	1,595,150	1,761,361
	1,586,680	2,125,347	1,647,920	4,102,514	3,685,119	4,257,365
	13,181,363	24,131,684	25,470,674	41,830,696	36,030,559	34,402,674
	47,225,412	33,406,326	31,411,557	23,488,527	41,441,880	53,804,966
\$	<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>\$ 111,441,859</u>
\$	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	-	-	-	25,022,443	43,582,156	59,491,136
\$	-	-	-	25,022,443	43,582,156	59,491,136
\$	26,744,173	\$ 24,407,460	\$ 24,761,009	\$ 25,808,501	\$ 27,531,340	\$ 26,383,625
	443,573	452,758	457,950	476,268	496,016	508,891
\$	<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>	<u>\$ 26,892,516</u>
\$	97,664	\$ 114,327	\$ 26,242	\$ 31,467	\$ 98,234	\$ 9,740
	7,714,094	924,888	11,051,244	6,164,048	20,233,743	19,749,293
	9,701,058	10,158,119	7,849,429	18,595,418	31,514,731	45,879,875
	8,469,143	8,983,360	15,199,275	23,417,915	20,581,422	16,506,989
\$	<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>	<u>\$ 82,145,897</u>
\$	1,343,739	\$ 1,348,573	\$ 1,549,326	\$ 1,148,979	\$ 921,109	\$ 599,128
	11,666,032	18,431,205	32,919,574	25,921,971	23,331,875	24,542,009
	-	-	-	-	(654,438)	(3,838,239)
\$	<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>\$ 21,302,898</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>	<u>\$ 301,274,306</u>

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

	2014	2015	2016	2017
Revenues				
Taxes	\$ 132,423,102	\$ 134,876,542	\$ 134,469,794	\$ 149,848,719
Charges for services	27,395,234	28,978,808	28,108,799	26,429,834
Licenses and permits	1,381,915	1,549,259	1,580,745	1,781,833
Fines and forfeits	3,815,470	2,737,317	1,383,357	900,272
Intergovernmental	31,756,758	27,257,994	34,659,554	30,456,805
Special assessments	754,970	2,778,402	3,016,394	2,971,185
Payments in lieu of taxes	1,590,825	1,757,149	1,687,149	2,919,537
Investment income	1,639,315	1,675,558	2,636,156	2,451,887
Increase (decrease) in fair value of investments	32,885	(16,440)	(470,837)	(486,307)
Other	5,528,609	5,878,638	5,807,497	6,885,769
Total revenues	<u>206,319,083</u>	<u>207,473,227</u>	<u>212,878,608</u>	<u>224,159,534</u>
Expenditures				
Current:				
Downtown	3,183,464	3,500,198	3,468,162	2,842,200
Youth, education and human services	708,900	493,757	104,913	94,338
Community development and neighborhoods	22,550,030	23,458,563	21,967,449	21,003,433
Economic development	13,346,277	14,864,797	9,646,066	17,984,798
Leadership and quality life	32,784,866	36,273,704	36,858,771	36,259,335
Corporate responsibility	15,486,893	14,800,055	15,410,341	15,838,901
Public safety and justice	95,477,660	94,684,266	98,253,686	101,559,290
Capital outlay	16,329,574	15,878,315	20,836,262	30,667,930
Debt service:				
Principal retirement	7,708,143	7,062,185	8,583,778	7,422,744
Interest and fiscal charges	2,843,361	3,052,165	2,844,231	3,072,686
Bond issuance costs	195,142	-	323,854	-
Total expenditures	<u>210,614,310</u>	<u>214,068,005</u>	<u>218,297,513</u>	<u>236,745,655</u>
Excess(deficiency) of revenues over expenditures	(4,295,227)	(6,594,778)	(5,418,905)	(12,586,121)
Other Financing Sources (Uses)				
Transfers in	6,076,041	9,500,959	5,504,550	9,699,537
Transfers out	(6,318,132)	(9,383,214)	(5,892,656)	(10,099,475)
Bond issuance	9,240,000	-	12,210,000	-
Issuance of loans	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	-	-	-
SBITA transaction	-	-	-	-
Total other financing sources (uses)	<u>13,682,303</u>	<u>117,745</u>	<u>11,096,975</u>	<u>(399,938)</u>
Net change in fund balance	<u>\$ 9,387,076</u>	<u>\$ (6,477,033)</u>	<u>\$ 5,678,070</u>	<u>\$ (12,986,059)</u>
Capital expenditures	\$ 19,494,767	\$ 15,725,633	\$ 29,324,228	\$ 31,630,721
Debt service as a percentage of noncapital expenditures	5.52%	5.10%	6.05%	5.12%

Source: City of Dayton financial records

	2018	2019	2020	2021	2022	2023
\$	153,774,390	\$ 161,579,677	\$ 161,012,016	\$ 176,110,210	\$ 182,493,881	\$ 179,731,768
	26,759,391	27,771,388	27,496,031	29,511,502	30,431,660	31,862,707
	2,960,263	3,048,391	2,288,432	3,022,276	3,697,730	3,747,296
	3,669,384	2,795,582	1,979,932	4,208,969	4,676,281	6,319,323
	20,504,272	19,293,774	38,088,195	51,784,930	63,525,015	63,309,907
	3,433,417	3,502,218	3,147,171	709,870	507,499	825,170
	1,816,290	1,473,194	2,046,235	1,735,177	1,645,403	3,143,434
	2,943,134	3,223,585	2,492,105	1,802,988	2,937,193	8,288,650
	59,611	1,301,183	741,994	(2,206,730)	(12,700,922)	7,928,458
	7,711,233	12,311,516	17,215,672	6,876,444	5,882,527	35,222,613
	<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>	<u>340,379,326</u>
	2,733,701	2,493,895	1,679,149	609,816	2,064	79,400
	51,264	54,865	49,999	53,647	33,683	49,566
	24,152,389	22,009,086	20,446,273	20,944,475	26,568,292	24,943,549
	9,063,098	7,411,662	12,840,968	9,273,883	14,309,055	13,022,697
	39,832,359	43,342,457	47,512,651	39,875,908	39,684,459	79,333,544
	17,924,225	17,174,472	17,531,017	17,780,001	18,179,522	23,080,074
	105,696,870	111,002,549	118,410,502	115,272,534	121,929,410	129,352,655
	19,169,413	15,242,068	20,873,490	17,037,586	22,039,182	25,183,646
	7,601,277	7,842,451	6,242,680	6,654,095	7,014,197	8,546,275
	2,840,393	3,269,857	2,477,806	2,657,940	2,469,822	3,400,850
	191,897	-	241,655	-	285,846	-
	<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>	<u>306,992,256</u>
	(5,625,501)	6,457,146	8,201,593	43,395,751	30,580,735	33,387,070
	12,491,885	9,083,011	13,745,794	49,587,214	83,547,188	43,105,148
	(13,012,845)	(9,259,303)	(13,795,794)	(49,587,214)	(83,547,188)	(43,105,148)
	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	-
	-	-	-	-	-	-
	-	-	-	-	-	161,332
	-	-	-	-	-	1,474,364
	<u>13,279,185</u>	<u>(176,292)</u>	<u>18,831,518</u>	<u>251,438</u>	<u>22,893,412</u>	<u>1,635,696</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>	<u>\$ 35,022,766</u>
\$	21,227,738	\$ 21,789,083	\$ 28,930,054	\$ 21,202,091	\$ 26,711,734	\$ 26,633,006
	5.02%	5.34%	3.98%	4.46%	4.20%	4.26%

CITY OF DAYTON, OHIO

**GROSS INCOME TAX REVENUE BY PAYER TYPE
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Withholding</u>	<u>% of withholding to total</u>	<u>Total Non- withholding</u>	<u>% of non- withholding to total</u>	<u>Total</u>	<u>Individual Accounts</u>	<u>% of individual to total</u>	<u>Business Accounts</u>	<u>% of Business to total</u>	<u>Total</u>
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
2023	134,219,156	86.84%	20,337,533	13.16%	154,556,689	5,048,298	3.27%	15,289,236	9.89%	154,556,689

**INCOME TAX FUND REVENUE DISTRIBUTION
NET OF REFUNDS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Budget Basis</u>			<u>GAAP (Modified Accrual Basis)</u>		
	<u>General Fund</u>	<u>Total</u>	<u>% Increase (Decrease)</u>	<u>General Fund</u>	<u>Total</u>	<u>% Increase (Decrease)</u>
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%
2023	153,280,053	153,280,053	-0.83%	151,986,995	151,986,995	0.59%

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>								
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%
2023	16,541,442	15,154,296	91.61%	1,347,196	16,501,493	99.76%	9,454,369	57.16%

(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>					
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
2023	2024	1,863,641,570	5,324,690,200	169,155,690	435,044,438

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	
1,420,769,660	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%
2,032,797,260	10.00	5,759,734,638	35.29%

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>					
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
2023	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	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
10.00	74.92	23.14	2.78

CITY OF DAYTON, OHIO

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

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	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	\$ 125,911,690	1	56.69%	\$ 83,485,020	1	63.89%
Vectren Energy Delivery	42,028,880	2	18.92%	12,933,170	2	9.90%
Caresource	9,255,270	3	4.17%			
GLP Capital LP	7,970,480	4	3.59%			
Dayton Hotel II LLC	5,360,660	5	2.41%	5,171,320	4	3.96%
KND Real Estate 29 LLC	4,864,640	6	2.19%	6,551,310	3	5.01%
LW Dayton V LLC	4,768,400	7	2.15%			
Norwood Medical LLC	4,721,310	8	2.13%			
Cloud Park Apartment	4,657,460	9	2.10%	3,620,670	8	2.77%
Phoenix Rising Real Property	4,311,190	10	1.94%			
Miami Valley Hospital	4,129,060	11	1.86%	4,380,130	5	3.35%
Jaycee Towers LP	4,110,920	12	1.85%			
DUCRU SPE LLC				3,953,770	6	3.03%
Titan Loan Investment Fund LP				3,643,960	7	2.79%
Premier Plaza LP				3,567,170	9	2.73%
Cargill Inc.				3,353,880	10	2.57%
Total	\$ 222,089,960		100.00%	\$ 130,660,400		100.00%

(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>
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%
2023	5,662,972	5,520,852	97.49%	1,416,961	6,937,813	122.51%

(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	SBITA Obligations	OPWC Loans	SIB Loans	SIB Bonds
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
2023	54,336,222	19,139,338	-	590,437	5,316,737	1,032,195	1,388,692	1,836,967	2,415,000

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 2017-2023 is not available.

Business-Type Activities

General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	Lease Obligations	JOBS Ohio Loan	SBITA Obligations	Total Primary Government	Personal Income (1)	Percentage of Personal Income	Per Capita
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
22,230,000	129,155,000	17,806,294	-	15,405	3,803,410	579,482	259,645,179	n/a	n/a	1,916

CITY OF DAYTON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Value (2)	\$ 1,420,769,660	\$ 1,419,103,270	\$ 1,422,658,280	\$ 1,432,805,280
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	149,180,814	149,005,843	149,379,119	150,444,554
Total Voted and Unvoted Debt Outstanding	159,621,062	201,500,505	241,115,601	226,096,070
Less: Exempt Debt				
Airport General Obligation Bonds and Notes	(8,990,000)	(10,016,545)	(9,404,368)	(8,782,191)
Airport Revenue Bonds (1)	(30,232,678)	(52,051,403)	(80,822,459)	(79,361,332)
Water Revenue Bonds (1)	-	(15,720,663)	(15,133,998)	(14,542,333)
Sewer Revenue Bonds (1)	-	(16,428,679)	(15,815,607)	(15,197,536)
Water General Obligation Bonds (3)	(13,630,000)	(12,705,000)	(17,640,000)	(16,655,000)
Sewer General Obligation Bonds (3)	(13,905,000)	(12,970,000)	(11,980,000)	(11,260,000)
Storm Water General Obligation Bonds (3)	-	-	-	-
Special Assessment Bonds and Notes	-	-	-	-
Economic Development Bonds	(28,285,000)	(26,200,000)	(24,055,000)	(21,845,000)
Total Exempt Debt	<u>(95,042,678)</u>	<u>(146,092,290)</u>	<u>(174,851,432)</u>	<u>(167,643,392)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	64,578,384	55,408,215	66,264,169	58,452,678
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(10,965,590)</u>	<u>(12,580,136)</u>	<u>(14,255,750)</u>	<u>(14,978,891)</u>
Net Debt Within 10.5% Limitation	<u>53,612,794</u>	<u>42,828,079</u>	<u>52,008,419</u>	<u>43,473,787</u>
Overall Debt Margin Within 10.5% Limitations	<u>\$ 95,568,020</u>	<u>\$ 106,177,764</u>	<u>\$ 97,370,700</u>	<u>\$ 106,970,767</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 78,142,331	\$ 78,050,680	\$ 78,246,205	\$ 78,804,290
Debt Within 5.5% Limitations	64,578,384	55,408,215	66,264,169	58,452,678
Less Amount Available in Debt Service Fund	(10,965,590)	(12,580,136)	(14,255,750)	(14,978,891)
Net Debt Within 5.5% Limitation	<u>53,612,794</u>	<u>42,828,079</u>	<u>52,008,419</u>	<u>43,473,787</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 24,529,537</u>	<u>\$ 35,222,601</u>	<u>\$ 26,237,786</u>	<u>\$ 35,330,503</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,439,720,000	\$ 1,469,630,470	\$ 1,611,392,880	\$ 1,624,368,460	\$ 1,654,132,740	\$ 2,032,797,260
151,170,600	154,311,199	169,196,252	170,558,688	173,683,938	213,443,712
240,847,212	224,868,162	247,978,894	238,072,164	281,991,013	261,661,813
(8,135,014)	(7,497,837)	(6,855,660)	(6,198,483)	(5,516,307)	(4,814,130)
(77,650,932)	(72,484,469)	(69,348,476)	(66,092,480)	(62,731,485)	(59,265,488)
(31,139,407)	(29,928,391)	(28,652,375)	(27,336,359)	(50,659,000)	(48,497,968)
(14,554,464)	(13,886,392)	(31,179,460)	(29,865,746)	(28,482,031)	(27,063,316)
(15,640,000)	(14,590,000)	(13,564,750)	(12,555,683)	(11,736,616)	(10,892,549)
(10,515,000)	(9,735,000)	(9,358,515)	(8,544,678)	(7,915,840)	(7,272,002)
-	-	(3,000,000)	(2,855,000)	(2,700,000)	(2,540,000)
-	-	-	-	-	-
<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>(19,035,000)</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>	<u>(179,380,453)</u>
59,967,395	56,011,073	66,814,658	67,393,735	91,019,734	82,281,360
<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>	<u>(26,892,516)</u>
45,484,649	31,150,855	41,595,699	41,108,966	62,992,378	55,388,844
<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>	<u>\$ 158,054,868</u>
\$ 79,184,600	\$ 80,829,676	\$ 88,626,608	\$ 89,340,265	\$ 90,977,301	\$ 111,803,849
59,967,395	56,011,073	66,814,658	67,393,735	91,019,734	82,281,360
(14,482,746)	(24,860,218)	(25,218,959)	(26,284,769)	(28,027,356)	(26,892,516)
45,484,649	31,150,855	41,595,699	41,108,966	62,992,378	55,388,844
<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>	<u>\$ 56,415,005</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>
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
2023	135,512	2,032,797,260	77,598,417	26,892,516	50,705,901	2.49%	374

(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>
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%
2023	8,546,275	3,400,850	-	11,947,125	306,992,256	3.89%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2023**

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, 2023.

Political subdivision of State of Ohio	2023 Debt Outstanding (1)	Percentage applicable to Dayton	Amount applicable to Dayton
Direct			
City of Dayton	\$ 79,706,656	100.00%	\$ 79,706,656
Total Direct Debt	<u>79,706,656</u>		<u>79,706,656</u>
Overlapping			
Montgomery County	16,998,000	14.95%	2,541,201
Dayton City School District	130,525,076	84.78%	110,659,159
Miami Valley Career Center	<u>3,945,340</u>	2.16%	<u>85,219</u>
Total Overlapping Debt	<u>151,468,416</u>		<u>113,285,580</u>
Total Direct and Overlapping Debt	<u>\$ 231,175,072</u>		<u>\$ 192,992,236</u>

(1) Excludes Enterprise Debt, Lease Obligations, and SBITA 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	
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
2023	14,632,479	998,010	31,830	1,029,840	14.21

(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 EIGHT 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
2023	26,598,226	2,010,000	2,193,113	4,203,113	6.33

(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 EIGHT 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
2023	14,632,479	1,305,000	957,800	2,262,800	6.47

(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	
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
2023	15,951,742	3,325,000	2,650,981	5,975,981	2.67

(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) charges 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>
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
2023	56 (+/-)	621,433	7,321

<u>Year</u>	<u>Active Gas Meters (3)</u>	<u>Vehicle Registrations (4)</u>
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
2023	60,744	114,567

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
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
2023	56.7

Source: Division of Planning City of Dayton

CITY OF DAYTON, OHIO

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

Employer	Fiscal Year 2023			Fiscal Year 2014		
	Employees	Rank	Percentage of Total Dayton Labor Force	Employees	Rank	Percentage of Total Dayton Labor Force
Kettering Health Network (2)	15,813	1	27.60%	7,115	2	12.06%
Premier Health Partners (1)	13,551	2	23.65%	13,500	1	22.88%
Montgomery County	4,358	3	7.61%	4,328	3	7.34%
Dayton Children's Hospital	4,163	4	7.27%	1,945	8	3.30%
Dayton VA Medical Center	3,529	5	6.16%	2,060	7	3.49%
University of Dayton	3,200	6	5.58%	2,990	4	5.07%
CareSource	2,562	7	4.47%	1,400	10	2.37%
Sinclair College	2,406	8	4.20%	2,601	5	4.41%
Dayton Public Schools	2,386	9	4.16%	2,102	6	3.56%
City of Dayton (3)	1,830	10	3.19%	1,850	9	3.14%
Total	<u><u>53,798</u></u>		<u><u>93.89%</u></u>	<u><u>39,891</u></u>		<u><u>67.62%</u></u>

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
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%
2023	247,600	4.50%	57,300	5.30%	5,768,300	4.40%	3.60%

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
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
2023	56,468	82.37%	7,676,485,792	55,114	80.40%	60,402	88.11%	68,550

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	2014	2015	2016	2017
Total	372.0	379.1	384.5	389.0
Goods-Producing Industries	50.7	52.0	53.6	54.7
Natural Resources, Mining and Construction	11.7	12.0	12.4	12.6
Manufacturing	39.0	40.0	41.2	42.1
Service-Providing Industries	321.3	327.1	330.9	334.3
Trade, Transportation, and Utilities	64.4	65.8	65.3	65.5
Information	8.5	8.4	8.5	8.3
Financial Activities	17.3	17.6	17.9	18.1
Professional and Business Services	48.6	50.1	51.0	50.8
Educational and Health Services	70.2	71.0	72.5	74.4
Leisure and Hospitality	37.2	37.8	38.8	40.3
Other Services	14.0	13.8	14.0	14.4
Government	61.1	62.6	62.9	62.5

(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

2018	2019	2020	2021	2022	2023	Percentage of Total 2023 employment
390.0	395.4	373.7	381.3	383.3	391.1	n/a
56.1	57.8	54.6	54.9	56.1	55.9	14.3%
13.1	13.5	13.8	14.2	14.4	14.6	3.7%
43.0	44.3	40.8	40.7	41.7	41.3	10.6%
333.9	337.6	319.1	326.4	327.2	335.2	85.7%
66.3	66.6	67.2	67.3	66.9	69.7	17.8%
8.2	7.5	6.8	6.6	6.8	5.6	1.4%
18.1	18.2	17.8	17.4	16.4	16.8	4.3%
52.4	51.5	49.8	52.7	52.4	51.5	13.2%
74.1	77.9	72.1	69.6	71.8	75.3	19.3%
39.1	39.2	32.9	38.3	38.2	40.0	10.2%
13.8	13.9	12.7	13.3	13.8	13.8	3.5%
61.9	62.8	59.8	61.2	60.9	62.5	16.0%

CITY OF DAYTON, OHIO

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Downtown	15	15	17	18	18	11	4	1	1	1
Youth, education and human services	1	-	1	1	1	1	1	1	1	1
Community development and neighbors	128	141	126	132	128	122	104	116	129	127
Economic development	32	7	33	40	31	28	30	23	27	25
Leadership and quality of life	303	214	147	141	144	138	122	233	253	241
Corporate responsibility	133	169	136	135	137	143	157	155	161	167
Public safety and justice	864	838	826	849	856	865	842	843	842	816
Business-type activities:										
Dayton International Airport	144	143	141	138	136	125	91	92	82	93
Water	164	246	373	375	375	355	316	193	196	200
Sewer	70	119	97	100	100	133	125	116	113	111
Golf (1)	14	14	12	12	13	11	4	-	-	-
Storm Sewer	66	41	36	39	33	31	27	51	50	48
Total Full-Time Equivalent (FTE)	1,934	1,947	1,945	1,980	1,972	1,963	1,823	1,824	1,855	1,830

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>
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
2023	11,378	11,036	30,500	52,914	12,565

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, 2023**

<u>Jurisdiction</u>	<u>Square Miles</u>
Dayton	56.67
Less portion outside of Montgomery County.	
Other incorporated areas in Montgomery County excluding Dayton	175.48
Unincorporated Townships within Montgomery County	232.15
	<hr/>
Total approximate area of Montgomery County	<u><u>464.30</u></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)
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
2023	697	472,490,631

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>
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%
2023	86	14,027,797	163,114	11.09%	107.49%

Source: Census Bureau

CITY OF DAYTON, OHIO

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Service										
Highways and Streets										
Streets (miles)	1,718	1,719	1,719	1,719	1,719	1,719	1,408	1,408	1,365	1,365
Streetlights	19,720	19,720	19,976	19,976	19,976	19,976	19,976	19,976	5,349	5,349
Traffic Signals	320	316	316	319	319	319	319	314	314	314
Computerized Signals	320	316	316	319	319	319	319	314	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	7	7	3	3	5	5	3	3
Number of Employees	405	410	397	419	417	419	418	421	401	347
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	318	327	318	322	320	325	316	316	325	257
City Fleet (public safety)										
Fire	88	91	88	97	90	92	97	92	92	89
Police	289	291	290	271	246	246	280	273	273	270
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	39	25	19	37	35	35	35	35	35
Total Facilities *	170	162	187	129	102	100	112	106	109	109
Parks	60	60	63	63	37	35	46	44	44	44
Swimming Pools	4	4	4	4	4	4	3	3	3	3
Tennis Courts	50	41	41	9	9	9	9	9	13	13
Community Centers	3	3	-	-	-	-	3	3	-	-
Athletic Complexes	2	2	2	3	3	3	5	5	3	3
Specialized Facilities	1	1	1	1	1	1	-	-	-	-
Shelter Houses	36	37	62	35	34	35	35	35	35	35
Golf Courses	3	3	3	3	3	3	1	1	1	1
Spray Park Facilities	7	7	7	7	7	6	6	6	6	7
Recreation Centers	3	3	3	3	3	3	3	3	3	3
Cultural Centers	1	1	1	1	1	1	1	-	-	-
Water										
Water Mains (miles)	807.03	807.26	847.65	852.51	852.51	857.47	859.81	859.81	859.81	859.81
Maximum Daily Capacity (millions of gallons)	42.00	43.20	43.20	43.20	43.20	38.80	39.80	39.80	39.80	39.00
Sewer										
Sanitary Sewers (miles)	603.40	730.00	730.00	740.46	740.60	739.98	721.67	721.67	721.67	721.67
Storm Sewers (miles)	403.67	576.60	576.60	576.89	576.89	576.94	577.74	577.74	577.74	577.74
Maximum Daily Capacity (millions of gallons)	28.33	28.33	28.33	28.33	28.33	28.00	28.00	28.00	26.10	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, 2023

Kena L. Brown	Finance Director
LaShawn D. Greene	Financial Services Supervisor
Jeffrey Marshall	Senior Financial Analyst
Saleh Asumani	Fixed Asset Specialist
Benjamin Rohm	Financial Analyst I
Constance Jones	Financial Analyst I
Jennifer Hill	Financial Analyst I
Magatte Diop	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.



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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OHIO AUDITOR OF STATE KEITH FABER



CITY OF DAYTON

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/15/2024

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This report is a matter of public record and is available online at
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