CITY OF DAYTON, OHIO • USA

Comprehensive Annual Financial Report 2014

2014 Administration

Nan Whaley
Mayor

Joey D. Williams
Commissioner

Dean Lovelace
Commissioner

Matt Joseph
Commissioner

Jeffrey Mims
Commissioner

Timothy H. Riordan
City Manager

City of Dayton, Ohio

City of Dayton, Ohio

Comprehensive Annual Financial Report

January 1, 2014 – December 31, 2014

Prepared By

DEPARTMENT OF FINANCE

MISSION STATEMENT

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

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Introduction

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CITY OF DAYTON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

Table of Contents

Title Page

INTRODUCTION SECTION

Table of Contents. . . . . I 1-4
Letter of Transmittal . . . . . I 5-9
Organization of the City of Dayton . . . . . I 10
List of Elected and Appointed Officials . . . . . I 11
Certificate of Achievement for Excellence in Financial Reporting . . . . . I 12

FINANCIAL SECTION

Independent Auditor's Report . . . . . F 1-2

Management's Discussion and Analysis . . . . . F 3-27

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position . . . . . F 30-31
Statement of Activities . . . . . F 32-33

Fund Financial Statements:

Balance Sheet - Governmental Funds . . . . . F 34-35

Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities. . . . . F 36

Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds . . . . . F 38-39

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities . . . . . F 40

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -
General Fund . . . . . F 41
Other Special Revenue Fund . . . . . F 42

Statement of Net Position - Proprietary Funds . . . . . F 44-47

Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds. . . . . F 48-49

Statement of Cash Flows - Proprietary Funds . . . . . F 50-53

Statement of Fiduciary Assets and Liabilities - Fiduciary Funds. . . . . F 54

Notes to the Basic Financial Statements . . . . . F 55-105

Table of Contents
(Continued)

Combining Statements and Individual Fund Schedules:

Combining Statements - Governmental Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual (Non-GAAP Budgetary Basis) - General Fund. . . . . F 109

Schedule of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual (Non-GAAP Budgetary Basis) - Other Special Revenue Fund . . . . . F 110

Fund Descriptions - Nonmajor Governmental Funds. . . . . F 111-112

Combining Balance Sheet - Nonmajor Governmental Funds . . . . . F 113

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds . . . . . F 114

Combining Balance Sheet - Nonmajor Special Revenue Funds . . . . . F 116-117

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds . . . . . F 118-119

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Fund. . . . . F 120

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – Highway Maintenance Fund . . . . . F 121

Schedule of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual (Non-GAAP Budgetary Basis) - Miscellaneous Grants Fund. . . . . F 122

Schedule of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual (Non-GAAP Budgetary Basis) - Permanent Fund. . . . . F 123

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund. . . . . F 124

Combining Statements - Nonmajor Enterprise Funds
Fund Descriptions . . . . . F 125

Combining Statement of Net Position - Nonmajor Enterprise Funds . . . . . F 126

Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds . . . . . F 127

Combining Statement of Cash Flows – Nonmajor Enterprise Funds. . . . . F 128

Table of Contents
(Continued)

Combining Statements – Internal Service Funds
Fund Descriptions . . . . . F 129

Combining Statement of Net Position - Internal Service Funds . . . . . F 130-131

Combining Statement of Revenues, Expenses and Changes in
Net Position - Internal Service Funds. . . . . F 132-133

Combining Statement of Cash Flows - Internal Service Funds. . . . . F 134-135

Combining Statements - Fiduciary Funds
Fund Descriptions. . . . . F 136

Combining Statement of Changes in Assets and Liabilities - Agency
Funds . . . . . F 137-140

STATISTICAL SECTION

Statistical Section Table of Contents. . . . . S 3

Net Assets/Position by Component – Last Ten Fiscal Years. . . . . S 4-5

Changes in Net Assets/Position – Last Ten Fiscal Years . . . . . S 6-9

Fund Balances, Governmental Funds – Last Ten Fiscal Years. . . . . S 10-11

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years. . . . . S 12-13

Gross Income Tax Revenue by Payer Type – Last Ten Fiscal Years. . . . . S 14

Income Tax Fund Revenue Distribution – Net of Refunds – Last Ten Fiscal Years . . . . . S 14

Property Tax Levies and Collections – Last Ten Fiscal Years . . . . . S 15

Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years. . . . . S 16-17

Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years. . . . . S 18-19

Principal Property Tax Payers – Current Year and Nine Years Ago. . . . . S 20

Special Assessment Billings and Collections – Last Ten Fiscal Years . . . . . S 21

Ratios of Outstanding Debt By Type – Last Ten Fiscal Years . . . . . S 22-23

Computation of Legal Debt Margin – Last Ten Fiscal Years. . . . . S 24-25

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General
Obligation Bonded Debt Per Capita – Last Ten Fiscal Years. . . . . S 26

Table of Contents
(Continued)

Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt
To Total General Governmental Expenditures – Last Ten Fiscal Years . . . . . S 27

Computation of Direct and Overlapping Debt – December 31, 2014 . . . . . S 28

Sewer Debt Loan Pledged Revenue Coverage
Ohio Water Development Authority Loan – Last Ten Fiscal Years . . . . . S 29

Dayton International Airport Enterprise Revenue Bond Coverage
Dayton International Airport Revenue Refunding Bond Series –
Last Ten Fiscal Years . . . . . S 30

Business Indicators – Last Ten Fiscal Years . . . . . S 31

Growth in Land Area – Selected Years . . . . . S 32

Principal Employers – Current Year and Nine Years Ago. . . . . S 33

Estimated Civilian Labor Force and Annual Average Unemployment Rates – Last Ten Fiscal Years. . . . . S 34

Estimated Per Capita Income and Personal Income – Last Ten Fiscal Years. . . . . S 35

Dayton Metropolitan Statistical Area Employment, Nonagricultural Wage and Salary
Employment in Selected Industries – Last Ten Fiscal Years. . . . . S 36-37

Full Time Equivalent City Government Employees By Function/Program – Last Ten Fiscal Years. . . . . S 38

School Enrollment Trends in Montgomery County – Last Ten Fiscal Years. . . . . S 39

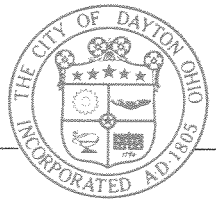
City of Dayton and Montgomery County, Ohio - Land Area – December 31, 2014. . . . . S 40

Building Permits Issued – Last Ten Fiscal Years. . . . . S 41

Average Cost of Housing Construction – Last Ten Fiscal Years. . . . . S 42

Operating Indicators and Capital Asset Statistics – Last Ten Fiscal Years. . . . . S 43

CITY OF DAYTON, OHIO
DEPARTMENT OF FINANCE
DIVISION OF TAX & ACCOUNTING ADMINISTRATION



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June 18, 2015

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Dayton, Ohio for the fiscal year ending December 31, 2014.

The City's Charter, Sections 44 and 78, prescribes the required accounting, audit, and examination procedures for the City of Dayton. Plattenburg & Associates, Inc., Certified Public Accountants, studies the City's system of internal control, conducts such tests that are necessary under the circumstances, and renders an opinion based upon the statements when taken in whole. The City has again 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.

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

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

The City has included in the CAFR all of the funds for which it is financially accountable. The City has one component unit: Citywide Development Corporation whose financial information for 2014 is shown as a separate financial statement. The City is associated with eight jointly governed organizations which include: the Miami Valley Regional Planning Commission, Miami Valley Fire/EMS Alliance, Economic Development/Government Equity Program, Montgomery County Human Services Planning & Development Department, Hazardous Material Response Team, Miami Valley Emergency Management Agency, Butler Township-Dayton JEDD (Joint Economic Development District), and Miami Township-Dayton JEDD.

This transmittal letter is designed to provide historical information about the City, as well as complement the required Management's Discussion and Analysis (MD&A). The GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government-wide statements, can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF DAYTON

Dayton was founded April 1, 1796 by a small group of settlers, 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 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.

The Dayton City Commission is comprised of the Mayor and four City Commissioners. They are elected at large on a non-partisan basis for four-year overlapping terms. All policy items are decided by the City Commission, which is empowered by the City Charter to pass ordinances and resolutions, adopt regulations, and appoint the City Manager.

Dayton is a city in southwestern Ohio. It is the county seat and the largest city in Montgomery County. Dayton is a part of several other communities called the Greater Dayton Area which include the cities of Vandalia, Trotwood, Kettering, Centerville, Beavercreek, Fairborn, West Carrollton, Huber Heights, Troy, and Miamisburg. As of the 2010 census estimate, the population of Dayton was 143,355. The census estimate for the Greater Dayton Area population is 542,237.

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

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 no later than the close of the fiscal year. The budget is prepared by fund, function, and department.

LOCAL ECONOMY

The City of Dayton has a rich history with its citizens contributing controlled powered flight, the automobile self-starter, the cash register, and micro-encapsulation to the world. The City is working to reposition its economy to compete globally in the future with a diversified knowledge-based economy. Driven by achievements since the implementation of the City's 2007 revised economic development goals contained in CitiPlan, the 20/20 Vision and Focus 2010, the City continues to concentrate development efforts on the following industries to transform its economic base:

- Aerospace Research and Development
- Information Technology
- Human Sciences and Healthcare
- Advanced Materials and Manufacturing

The Economic Development Aerospace Hub designation continues to create an active base for the development of aerospace and advanced materials industries. This will generate growth in Dayton's burgeoning aerospace research and development sector by attracting more companies specializing in technology, advanced manufacturing, and innovation. Throughout 2014, the Aerospace Hub and its partners came together to promote Dayton as an ideal location for this project by leveraging our expanding technological expertise, highly-educated workforce, and proximity to Wright-Patterson Air Force Base.

In 2013, GE Aviation opened the $51 million **GE Aviation Electrical Power Integrated Systems Center** on the campus of University of Dayton. In 2014, **Emerson Climate Technologies** announced the Helix, a $35 million innovation center located close to the GE Center. Emerson's facility will research, develop, and test new technologies for the heating, ventilation, air conditioning and refrigeration industries. Eventually the building will house 35 – 50 researchers and support staff.

In 2014, **Dayton Children's Hospital** moved its information technology department from its main campus to Tech Town occupying 13,880 square feet. **The Mathile Institute for the Advancement of Human Nutrition** (a non-profit organization dedicated to advancing the nutritional health of the world's children) will move to Tech Town in the first quarter of 2015. Other new leases in Tech Town in 2014 include:

- **Autosoft**, a provider of dealership management solutions,
- **Sigmatech,** a consulting firm providing systems engineering and technical assistance aerospace, defense, federal and commercial clients,
- **Tenet3** which focuses on consulting and strategy of cyber-security,
- **Imagineering Results Analysis Corp,** a data analytics and open source architecture firm who supports agriculture, energy renewables, and intelligence operations,
- **FMI Medical Systems, Inc.,** a diverse international group of engineers and physicists developing new technologies for CT and PET/CT imaging in emerging international markets, and
- **Stratonics** which specializes in the real-time measurement and control of industrial additive manufacturing processes.

Health and social service facilities are continuing to make significant investments in Dayton. In 2014**, Goodwill Easter Seals Miami Valley** opened their new $11 million human services center on South Main Street. The facility is home to 125 employees. **CareSource** continued their expansion by executing a three year lease at 220 East Monument Ave. **Children's Hospital** began work on a signature eight-story inpatient tower with an estimated cost of $140 million at its current location.

In 2014, companies who specialize in advanced manufacturing also experienced growth in the City. **idX Corporation** completed renovations and moved into its new 450,000 ft^2 facility. The move doubles the size of the operation and consolidates it under one roof. **idX** is a manufacturer of consumer retail displays made of wood, metal, glass, acrylic,

vacuum forming, injection molding, laminate, and/or veneer that are used in retail, financial, hospitality, and point-of-purchase markets.

Malt Products continued work on a $25 million expansion at their facility. The 50,000 square foot additions will double their local workforce from 35 to an estimated 70 employees.

DOWNTOWN DEVELOPMENT

Creating an attractive center city that likewise attracts people, businesses, and investment is a key strategy in the Greater Downtown Dayton Plan. In recent years, the City of Dayton has invested more than $20 million in major infrastructure improvements, such as street reconstruction, new bike racks, and upgrades to public spaces. Interest from businesses, organizations, and investors has increased — with many projects poised to grow jobs and positively impact the downtown environment in the long and short terms. In 2014, the Dayton Link Bike Share program was announced. Twenty-four bike stations in and around downtown will support 200 bicycles available to residents, workers, students, and visitors.

In 2014, the **Dayton Metro Library** began work on a major renovation and expansion of their downtown operations. The project includes renovating and expanding the Main Library, including significantly more computers and dedicated spaces for quiet reading, study, and informal small group meetings. The former Hauer Music Building on Patterson will become the operations and training center for the entire Dayton-Montgomery County Library system.

Other notable downtown activity included **Dinsmore & Shohl, LLP** committing to a 10-year lease and $1.5 million in renovations to their offices; and **Barry Staff** beginning construction of a 13,000 square foot headquarters for their operations.

Housing remains a strong spot for Greater Downtown, particularly the downtown core. Occupancy rates in downtown housing remained high at more than 90 percent for both owner- and renter-occupied properties. In 2014, the **Water Street Development** was announced and construction began in the fall. Water Street is a $45 million mixed-use riverfront undertaking by Columbus-based Crawford-Hoying and Dayton-based Woodard Real Estate Resources. The project includes a 50,000 square foot commercial building, a three-level parking structure, 219 apartments and 24 town homes. **City Properties Group** was awarded $1.9 million in Façade Programs **–** The Downtown Façade Improvement Program is a matching grant program that seeks to enliven the built environment in the downtown core. In 2014, there were five projects that represented $1.1M in private investment. Since the inception of the Downtown Façade Program in 2009, there have been 40 projects representing $2.6M in private investment.

Simms Development – Building on the success that started in 2011 (**18** units at Patterson Square), the developer is nearing completion on another **31** units of offer loft-style living. He finished the build out of Rubicon Square which consists of **14** downtown loft style homes near Miami Valley Hospital. Since 2011, the developer has built **63** homes in Greater Downtown Dayton.

Downtown Pop-up Shops - The Pop-Up Project is driven by volunteers from the young professional organizations Generation Dayton and UpDayton with support from the Downtown Dayton Partnership, the City of Dayton, the City of Dayton Neighborhood Mini-Grant Program, and community volunteers. Since its inception in 2011, the project has launched 16 shops (12 of which are still open), filled around 13,000 square feet of previously vacant space and created 29 jobs.

NEIGHBORHOOD DEVELOPMENT

The City continues to invest in neighborhood projects. Noted below are a few highlights of these projects:

City-Owned Railroad Track – Spanning about 6 Miles, The City invested $900,000 ($401,500 were grants) to revitalize the track and bridge that serve businesses along the line and make way for rail serve to greenfield sites located along the line.

City Parks - The City completed the first phase of upgrading 20 city parks. Approximately $500,000 was expended to renovate or rebuild tennis and basketball courts in ten parks throughout the city.

DaVinci - The City, CityWide Development Corporation, and Dayton Children's Medical Center collaborated to acquire and demolish five blighted commercial structures to facilitate a road realignment and park expansion that has been funded and will be under construction in 2020. A new children's garden has been designed and fundraising is

currently underway. Approximately 30 low and moderate income residents have taken advantage of the discounted paint program to fix their exterior curb appeal.

Dayton Is Yours (DIY) Program - Assisted in over 100 organized neighborhood clean-up activities and assisted Housing Inspection by issuing over 600 courtesy notices from 15 to 21 neighborhoods.

E. C. Doren Dayton Metro Library - Completed the building project with renovations to the E.C. Doren branch located on Troy Street in Old North Dayton. The renovations include Dedicated space for Adults, Teens and Children with comfortable lounge and table seating; Quiet Reading Area; Interactive Marketplace providing easy access to popular materials, Easy to browse collections of nearly 15,000 items, upgraded power and Wi-Fi connectivity; Children's Story and Program Room, and an outdoor reading terrace has been added.

Genesis - Charlie Simms completed the final phase of his townhome development and 12 of the 14 units have been sold. Plans were finalized to reconstruct Brown Street, which will be underway in 2015.

Moving Ohio Forward Project – The City processed 540 demolition housing projects comprising of 836 units. This project was reimbursed $6.6 million in Moving Ohio Forward funds.

Northwest Dayton Metro Library - The largest of the new Branches in the Dayton Metro Library system, made possible by voter support of a bond issue in 2012, will be located at the corner of Philadelphia Drive and Hillcrest Avenue on the site where Fairview High School once stood. The 21st century Library will replace the aging and inefficient facilities currently housing the Dayton View, Fort McKinley, and Northtown-Shiloh Branches. The new Library will feature a meadow-themed Children's area, a dedicated space for middle and high school students called Teen Edge, and an open and enclosed Adult Reading Room with a shared fireplace. The plans include an area that can accommodate a coffee vendor. The café, a large dividable meeting room, and a flexible program space will be available both during and outside of Library hours for use by Library patrons and other community partners. There will be more computers and other technology as well as convenient onsite parking.

Oregon East – City Properties Group, a Kentucky-based developer, applied for Ohio Historic Preservation Tax Credits to rehabilitate and adaptively reuse the Weustoff and Getz Co. property to create about 40 apartments and space for restaurants or other businesses. Announcement on Ohio Historic Preservation Tax Credit was awarded on December 18, 2014 with a total tax credit of $1.9 million at a total project cost of $7.9 million.

Roosevelt Homes II - An approximate $7 million dollar project located in an area of the Roosevelt neighborhood bounded by Edison St. (north), West Third St. (south), North James H. McGee Blvd. (east) and Marion St. (west). The City is providing $500,000 in HOME funds for eligible project costs of constructing 30 single family scattered site housing units. The homes will consist of ranch and two-story designs, and will all feature 4 bedrooms, 2 full bathrooms, and an oversized, detached two-car garage.

Tree Replacement/Green Initiatives – The City expanded the tree farm project to six sites (over 3,000 trees). The City expanded urban agriculture partnership with The Ohio State University Extension and partnered with the Water Department to provide new water service lines for 10 community gardens and bill payments for 22 gardens.

Wright-Dunbar – In 2014, The City provided HOME funds to Wright Dunbar Inc. to renovate an eleven unit apartment building for low/mid residents. The building is fully occupied. The City is working with CountyCorp to renovate five one-family homes in the Wright-Dunbar historic district.

LONG-TERM FINANCIAL PLANNING

Moody's Investors Services confirmed Dayton's general obligation bond credit rating at Aa2 and our non-tax revenue debt rating at Aa3. Standard & Poor's (S & P) upgraded Dayton's general obligation bonds from an AA rating to AA-; and its non-tax revenue debt rating from A+ to AA-.

S & P confirmed Dayton's Aviation general obligation bond credit rating at AA. In addition, Fitch retained Dayton's BBB+ rating on Aviation. All three rating agencies announcements signal their confidence in Dayton's financial management practices and long-term stability.

Based on the City of Dayton FOCUS 2010 Report, the City is to maintain financial stability by continuing its well documented reputation of sound financial management and leadership. The City will focus internal resources on process improvements and automation to increase revenue collections as well as explore expanded assessments for

selected City services. This is an opportunity for growth that stands as a continuous benchmark against which all major initiatives are measured.

RELEVANT FINANCIAL POLICIES

The City's long-standing policy is to maintain minimum reserve levels equal to six to ten weeks of operating expenses. The City Commission's policy is to apply the General Fund balance only to the following limited purposes: one-time strategic investments yielding a significant number of jobs; one-time strategic investments in technology reducing operating costs; and weathering a recession or economic shock during a maximum 18-month period.

Consistent with city policy to maintain the general fund reserve without increasing the City's income tax rate, city management took action to increase general fund revenues and reduce general fund expenditures. Retaining the permanent earnings tax rate at 2.25% means the City of Dayton has maintained the same earnings tax rate for at least 30 years.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Dayton for its CAFR for the year ended December 31, 2013, which represents the 32nd consecutive year for this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and organized CAFR, whose contents conform to program standards judged by the GFOA. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and the 2014 CAFR has been submitted to the GFOA for their review.

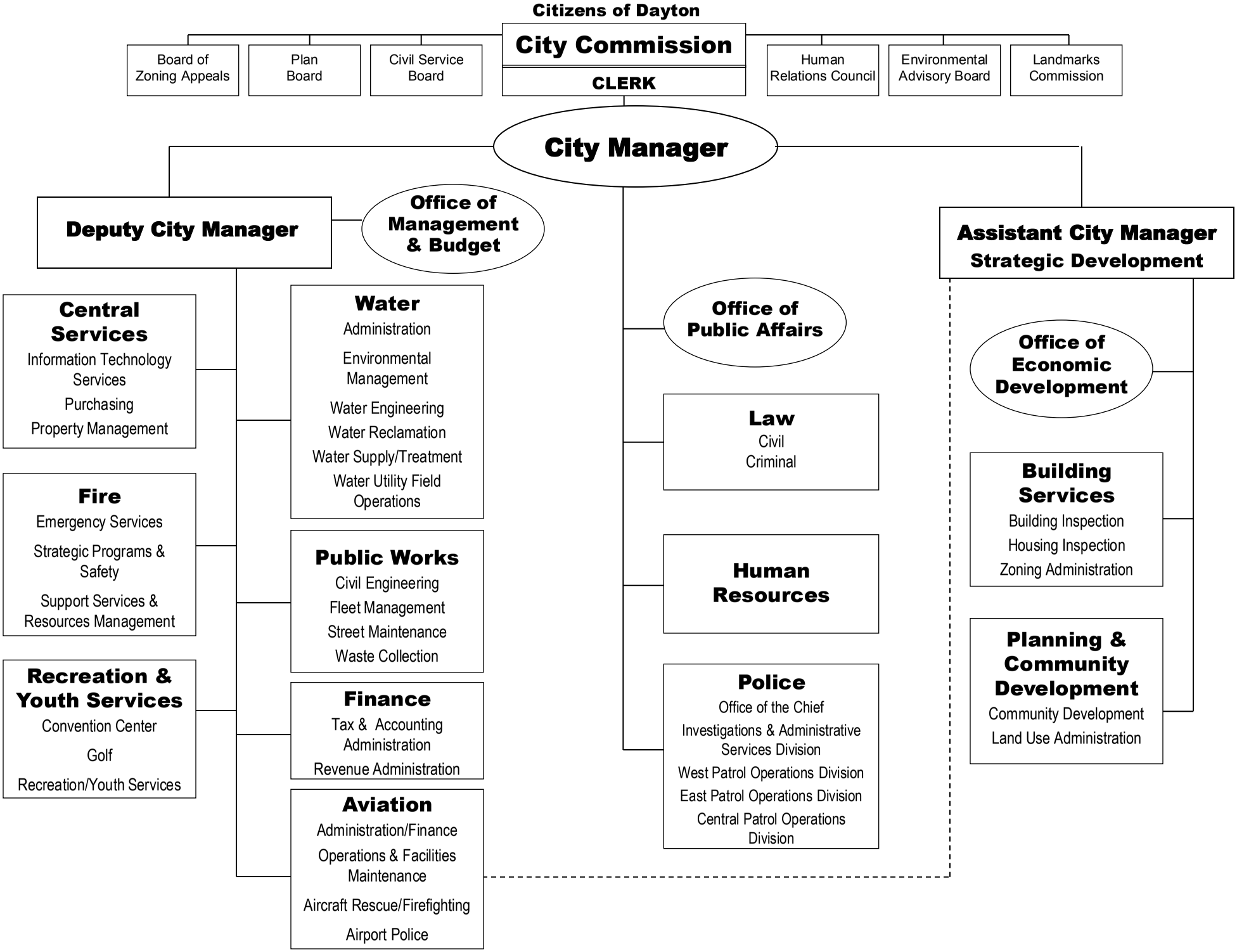
By September of 2013, the Department of Finance was certified and officially became ISO 9001 certified and received ISO 9001 re-certification for 2014. The ISO 9001 certification requires an organization to demonstrate its ability to consistently provide products and services that meet customer needs and applicable statutory and regulatory requirements. Effective application of its systems enhances customer satisfaction by including processes for continual improvement and the assurance of conformity to customer needs and applicable statutory and regulatory requirements. This attainment is a great testament to its commitment to provide accurate and excellent financial services for the City and its stakeholders.

I offer my sincere gratitude to the Finance Department, especially the Financial Analysis Team for their diligent work in completing the 2014 CAFR. I would also like to thank all other City departments, including the City Manager's Office and the Office of Management and Budget who work to ensure the City's financial health is sound, and to the those who contributed and assisted in the preparation of the report. Finally, I acknowledge and express my gratitude to the Mayor and City Commissioners for providing excellent leadership and support in the management of the City of Dayton's finances.

Respectfully submitted,

C. LaShea Smith
Finance Director

Organization of the City of Dayton



Posted 5/7/14

CITY OF DAYTON, OHIO

LIST OF ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2014

ELECTED OFFICIALS

Mayor	Nan Whaley
Commissioner	Dean Lovelace
Commissioner	Joey D. Williams
Commissioner	Matt Joseph
Commissioner	Jeffrey Mims

APPOINTED OFFICIALS

City Manager	Timothy H. Riordan
Deputy City Manager	Stanley A. Earley
Asst. City Manager for Strategic Development	Shelley Dickstein
Director ~ Aviation	Terrence Slaybaugh
Acting Director ~ Building Services	Michael Cromartie
Director ~ Central Services	Pete Hager
Secretary and Chief Examiner ~ Civil Service	Maurice Evans
Executive Asst. to the Commission ~ City Commission	Kery Gray
Acting Director ~ Economic Development	Shelley Dickstein
Director ~ Finance	C. LaShea Smith
Director and Chief ~ Fire	Jeffrey Payne
Executive Director ~ Human Relations Council	Catherine Crosby
Acting Director ~ Human Resources	Brent McKenzie
Acting Director ~ Law	Lynn Donaldson
Director ~ Management and Budget	Barbara LaBrier
Clerk of Courts ~ Municipal Court	Mark Owens
Director ~ Planning and Community Development	Aaron Sorrell
Director and Chief ~ Police	Richard Biehl
Director ~ Public Works	Fred Stovall
Director ~ Recreation & Youth Services	Joseph Parlette
Director ~ Water	Tammi Clements

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dayton

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Financial

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INDEPENDENT AUDITOR'S REPORT

Members of the City Commission
City of Dayton, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of CityWide Development Corporation, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CityWide Development Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2014, and the respective changes in financial position, and cash flows where applicable, thereof and the respective budgetary comparison for the General Fund and Other Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F3 – F27 be presented to supplement the basic financial statements. Such information, 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 and Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, 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 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 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.

Dayton, Ohio
June 18, 2015

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(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, 2014. 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 2014 are as follows:

- The total net position of the City increased $41,782,698 in 2014. Net position of governmental activities increased $30,164,930 or 5.92% over 2013 and net position of business-type activities increased $11,617,768 or 1.94% over 2013.

- The City had $224,613,249 in revenues related to governmental activities. General revenues accounted for $139,117,119 or 61.94% of total governmental activities revenue. Program specific revenues accounted for $85,496,130 or 38.06% of total governmental activities revenue.

- The City had $194,088,319 in expenses related to governmental activities; $85,496,130 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of $108,592,189 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of $139,117,119.

- The general fund had revenues of $158,253,146 in 2014. The expenditures and other financing uses of the general fund totaled $157,533,269 in 2014. The net increase in the fund balance for the general fund was $719,877 or 1.18% above 2013.

- The other special revenue major fund had $2,253,386 in revenues and other financing sources and $2,510,837 in expenditures in 2014. The fund balance in the other special revenue fund was $5,421,005, a 4.53% decrease from 2013.

- The debt service major fund had $10,626,057 in revenues and other financing sources and $10,659,509 in expenditures in 2014. The fund balance in the debt service fund was $27,335,590, a 0.12% decrease from 2013.

- The capital improvements major fund had $28,218,381 in revenues and other financing sources and $22,911,061 in expenditures and other financing uses in 2014. The fund balance for the capital improvements fund increased $5,307,320 or 19.72 % over 2013.

- Net position for the business-type activities, which are made up of the Dayton International Airport, water, sewer, storm water and golf enterprise funds, increased in 2014 by $11,617,768.

- The Dayton International Airport enterprise fund had $32,264,673 in operating revenues and $38,917,715 in operating expenses in 2014. The Dayton International Airport enterprise fund also had non-operating revenues of $497,826, non-operating expenses of $2,477,861, transfers in of $300,000 and capital contributions of $7,696,841. The net position of the Dayton International Airport enterprise fund decreased $636,236 or 0.23% from 2013.

- The water enterprise fund had $53,299,887 in operating revenues and $45,497,082 in operating expenses in 2014. The water enterprise fund also had non-operating revenues of $160,435, non-operating expenses of $616,913 and capital contributions of $171,025. The net position of the water enterprise fund increased $7,517,352 or 4.23% over 2013.

- The sewer enterprise fund had $32,285,645 in operating revenues and $28,501,115 in operating expenses in 2014. The sewer enterprise fund also had non-operating revenues of $142,233 and non-operating expenses of $871,552. The net position of the sewer enterprise fund increased $3,055,211 or 2.71% over 2013.

- In the general fund, the actual revenues were $243,745 lower than they were in the final budget and actual expenditures and other financing uses were $7,740,478 less than the amount in the final budget. Budgeted revenues decreased $812,100 from the original to the final budget. Budgeted expenditures and other financing uses increased $8,396,900 from the original to the final budget.

Using this Comprehensive Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole 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 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

1. Governmental Activities - Most of the City's programs and services are reported including police, fire, street and highway maintenance, HUD program operations, community and economic development and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

2. Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's airport, water, sewer, storm water and golf operations are reported.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page F 11 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, other special revenue fund, debt service fund and capital improvements fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F 34 - F 42 of this report and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, water, sewer, storm water and golf operations. The City reports the airport fund, water fund and sewer fund as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The storm water fund and the golf fund are considered nonmajor funds and are combined into a single, aggregated presentation in the proprietary fund financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages F 44 - F 53 of this report.

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. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statement can be found on page F 54 of this report.

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. These notes to the basic financial statements can be found on pages F 55 - F 105 of this report.

Government-Wide Financial Analysis

The table below is a summary of the City's net position at December 31, 2014 compared to December 31, 2013.

Net Position

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Assets						
Current and other assets	$ 241,111,731	$ 214,222,285	$ 201,103,620	$ 201,403,354	$ 442,215,351	$ 415,625,639
Capital assets, net	427,617,360	422,129,761	502,734,210	492,617,247	930,351,570	914,747,008
Total assets	668,729,091	636,352,046	703,837,830	694,020,601	1,372,566,921	1,330,372,647
Deferred outflows	1,595,042	1,769,057	543,415	34,065	2,138,457	1,803,122
Total assest and deferred inflows	670,324,133	638,121,103	704,381,245	694,054,666	1,374,705,378	1,332,175,769
Liabilities						
Long-term liabilities outstanding	100,326,386	95,185,038	79,598,041	83,251,478	179,924,427	178,436,516
Other liabilities	15,936,303	17,447,453	13,346,303	10,984,055	29,282,606	28,431,508
Total liabilities	116,262,689	112,632,491	92,944,344	94,235,533	209,207,033	206,868,024
Deferred inflows	13,952,771	15,544,869	-	-	13,952,771	15,544,869
Total liabilities and deferred outflows	130,215,460	128,177,360	92,944,344	94,235,533	223,159,804	222,412,893
Net Position						
Net investment in capital assets	380,538,467	375,002,891	420,343,386	407,888,085	800,881,853	782,890,976
Restricted	64,768,896	63,085,637	-	-	64,768,896	63,085,637
Unrestricted	94,801,310	71,855,215	191,093,515	191,931,048	285,894,825	263,786,263
Total net position	$ 540,108,673	$ 509,943,743	$ 611,436,901	$ 599,819,133	$ 1,151,545,574	$ 1,109,762,876

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2014, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $1,151,545,574. At year-end, net positions were $540,108,673 and $611,436,901 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 67.68% of total assets and deferred outflows. Capital assets include land, right of ways, construction in progress (CIP), improvements other than buildings, buildings and improvements, equipment, software, vehicles and infrastructure.

The City's net investment in capital assets at December 31, 2014, was $380,538,467 and $420,343,386 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, 2014, the City is able to report positive balances in all three categories of net position, both 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, $64,768,896, 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 of $94,801,310 may be used to meet the government's ongoing obligations to citizens and creditors.

The table on the next page shows the changes in net position for 2014 and 2013.

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CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Change in Net Position

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Revenues						
Program revenues:						
Charges for services and sales	$ 52,402,680	$ 38,488,069	$ 116,396,412	$ 109,603,111	$ 168,799,092	$ 148,091,180
Operating grants and contributions	25,909,216	24,584,286	-	-	25,909,216	24,584,286
Capital grants and contributions	7,184,234	11,761,088	7,939,351	13,857,011	15,123,585	25,618,099
Total program revenues	85,496,130	74,833,443	124,335,763	123,460,122	209,831,893	198,293,565
General revenues:						
Property taxes	12,918,102	14,355,108	-	-	12,918,102	14,355,108
Income taxes	103,721,834	101,967,172	-	-	103,721,834	101,967,172
Payment in lieu of taxes	1,771,683	1,406,710	-	-	1,771,683	1,406,710
Unrestricted grants	15,529,135	15,376,160	-	-	15,529,135	15,376,160
Interest	1,722,766	1,241,997	485,592	113,372	2,208,358	1,355,369
Miscellaneous	3,453,599	4,167,506	12,044,998	11,564,565	15,498,597	15,732,071
Total general revenues	139,117,119	138,514,653	12,530,590	11,677,937	151,647,709	150,192,590
Total revenues	224,613,249	213,348,096	136,866,353	135,138,059	361,479,602	348,486,155
Expenses:						
Downtown	3,973,957	3,596,856	-	-	3,973,957	3,596,856
Youth, education and human services	3,499,722	2,904,850	-	-	3,499,722	2,904,850
Community development	22,225,850	27,516,705	-	-	22,225,850	27,516,705
Economic development	13,940,292	15,682,768	-	-	13,940,292	15,682,768
Leadership and quality of life	42,943,946	42,108,488	-	-	42,943,946	42,108,488
Corporate responsibility	14,189,753	16,027,649	-	-	14,189,753	16,027,649
Public safety and justice	90,511,356	93,221,162	-	-	90,511,356	93,221,162
Bond issuance costs	195,142	-	-	-	195,142	-
Interest and fiscal charges	2,608,301	2,958,434	-	-	2,608,301	2,958,434
Dayton International Airport	-	-	41,476,361	40,954,651	41,476,361	40,954,651
Water	-	-	46,245,372	46,445,617	46,245,372	46,445,617
Sewer	-	-	29,448,754	31,515,981	29,448,754	31,515,981
Other business-type activities:						
Storm water	-	-	5,480,442	5,312,757	5,480,442	5,312,757
Golf	-	-	2,957,656	2,956,261	2,957,656	2,956,261
Total expenses	194,088,319	204,016,912	125,608,585	127,185,267	319,696,904	331,202,179
Increase in net position before transfers	30,524,930	9,331,184	11,257,768	7,952,792	41,782,698	17,283,976
Transfers	(360,000)	-	360,000	-	-	-
Change in net position	30,164,930	9,331,184	11,617,768	7,952,792	41,782,698	17,283,976
Net position at beginning of year	509,943,743	500,612,559	599,819,133	591,866,341	1,109,762,876	1,092,478,900
Net position at end of year	$ 540,108,673	$ 509,943,743	$ 611,436,901	$ 599,819,133	$ 1,151,545,574	$ 1,109,762,876

Governmental Activities

Governmental activities net position increased $30,164,930 in 2014. This increase of 5.92% is due to the City's continuing efforts to reduce costs and increase operational efficiency.

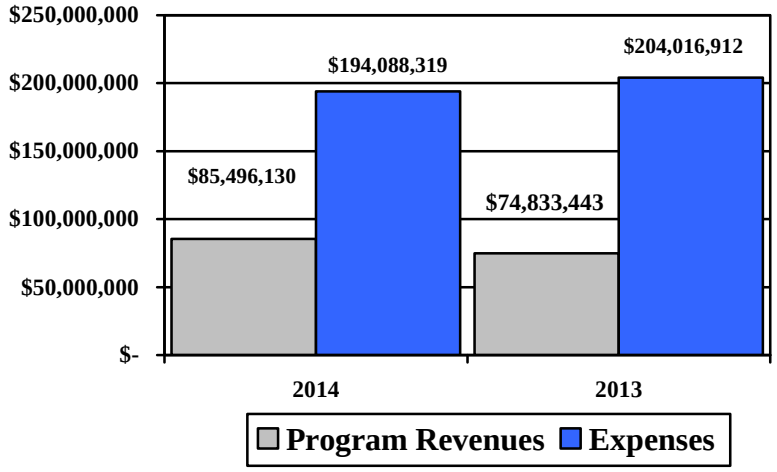
Public safety and justice, which primarily supports the operations of the police and fire departments accounted for $90,511,356 of the total expenses of the City. These expenses were partially funded by $25,704,452 in direct charges to users of the services. Leadership and quality of life expenses totaled $42,943,946. Leadership and quality of life expenses were partially funded by $13,688,808 in direct charges to users of the services.

The state and federal government contributed to the City a total of $25,909,216 in operating grants and contributions and $7,184,234 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, $11,799,651 subsidized leadership and quality of life and $7,579,430 subsidized community development and neighborhoods. The total capital grants and contributions, $7,184,234 subsidized leadership and quality of life programs.

General revenues totaled $139,117,119, and amounted to 61.94% of total governmental revenues. These revenues primarily consist of property and income tax revenue of $116,639,936. 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 $15,529,135.

The statement of activities on pages F 32 – F 33 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

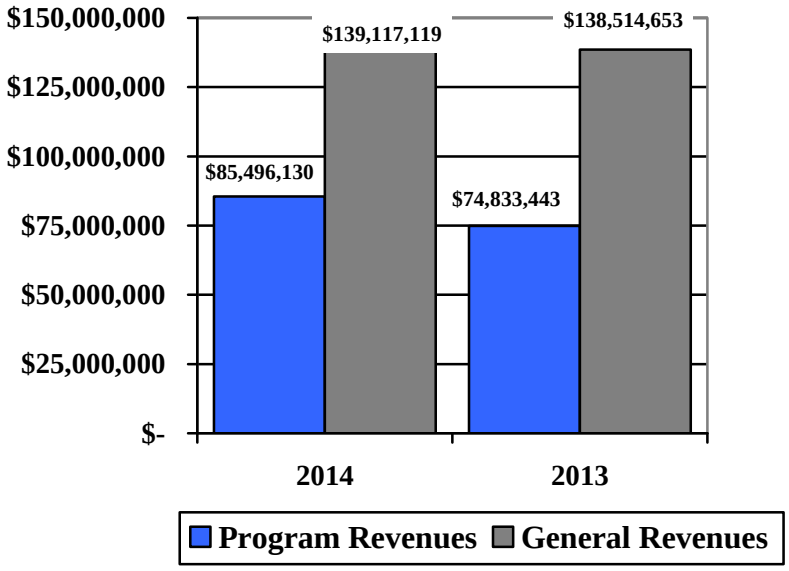


Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Program Expenses:				
Downtown	$ 3,973,957	$ 3,401,087	$ 3,596,856	$ 3,025,491
Youth, education and human services	3,499,722	2,816,188	2,904,850	489,305
Community development and neighborhoods	22,225,850	11,628,597	27,516,705	13,276,185
Economic development	13,940,292	5,089,663	15,682,768	10,352,285
Leadership and quality of life	42,943,946	10,271,253	42,108,488	16,431,794
Corporate responsibility	14,189,753	11,124,834	16,027,649	13,206,369
Public safety and justice	90,511,356	61,615,953	93,221,162	69,443,606
Bond issuance costs	195,142	195,142	-	-
Interest and fiscal charges	2,608,301	2,449,472	2,958,434	2,958,434
Total Expenses	$ 194,088,319	$ 108,592,189	$ 204,016,912	$ 129,183,469

The dependence upon general revenues for governmental activities is apparent, with 55.95% of expenses supported through taxes and other general revenues. Total governmental expenses were $194,088,319, program revenues were $85,496,130 and general revenues were $139,117,119.

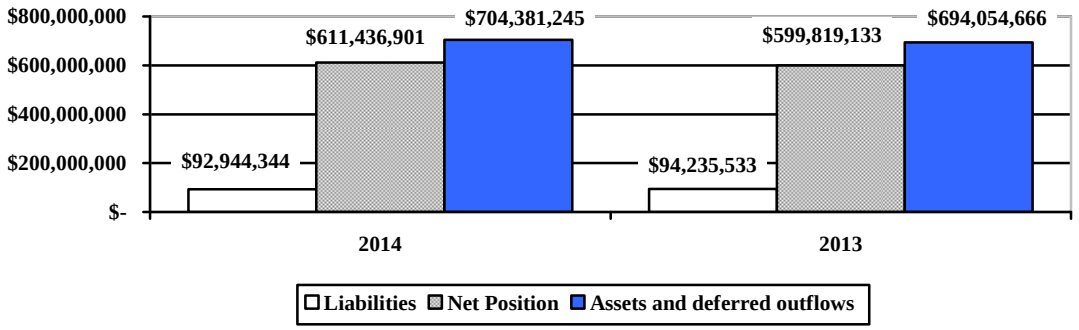
Governmental Activities – General and Program Revenues



Business-Type Activities

Business-type activities include the Dayton International Airport, water, sewer, storm water and golf enterprise funds. Overall, the net position of the business-type activities increased $11,617,768 in 2014. This increase of 1.94% is due to the City's continuing efforts to reduce costs and increase operational efficiency. These programs had program revenues of $124,335,763, general revenues of $12,530,590, transfers in of $360,000 and expenses of $125,608,585 for 2014. The graph below shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at year-end. See pages F 30 and F 31.

Net Position in Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page F 34 - F 35) reported a combined fund balance of $138,421,695 which is $9,387,076 higher than last year's total of $129,034,619. The table below indicates the fund balances and the total change in fund balances as of December 31, 2014 for all major and nonmajor governmental funds.

	Fund Balances 12/31/14	Fund Balances 12/31/13	Increase/ (Decrease)
Major Funds:			
General	$ 61,588,853	$ 60,868,976	$ 719,877
Other special revenue	5,421,005	5,678,456	(257,451)
Debt service	27,335,590	27,369,042	(33,452)
Capital improvement	32,218,482	26,911,162	5,307,320
Other nonmajor governmental funds	11,857,765	8,206,983	3,650,782
Total	$ 138,421,695	$ 129,034,619	$ 9,387,076

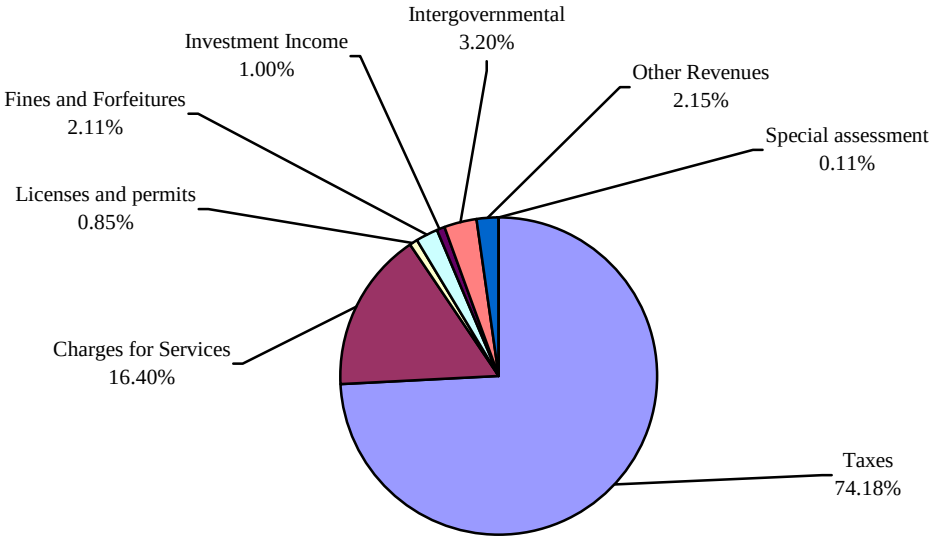
General Fund

The City's general fund balance increased $719,877. See the table on the previous page.

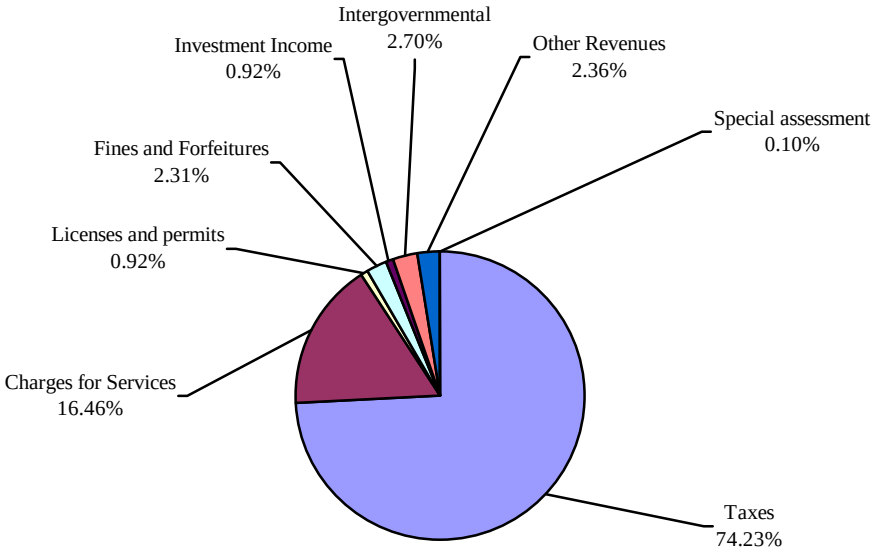
	2014 Amount	2013 Amount	Percentage Change
Revenues			
Income, property and other taxes	$ 117,383,181	$ 116,743,339	0.55 %
Charges for services	25,945,726	25,884,749	0.24 %
Licenses and permits	1,348,270	1,441,918	(6.49) %
Fines and forfeitures	3,344,171	3,629,224	(7.85) %
Investment income	1,584,111	1,441,224	9.91 %
Special assessments	177,352	155,473	14.07 %
Intergovernmental	5,063,826	4,250,814	19.13 %
Other	3,406,509	3,711,621	(8.22) %
Total	$ 158,253,146	$ 157,258,362	0.63 %

The above table assists in illustrating the revenues of the general fund. Overall revenues of the general fund increased $994,784. The most significant increases were in the areas of special assessments, intergovernmental and investment revenue. The increase in intergovernmental revenue was a result of the City receiving casino and racino tax revenue. The decrease in fines and forfeitures revenue is the result of less citations being issued and paid. Investment income increased $142,887 or 9.91% due to an increase in the fair market value of federal agency securities combined with an increase in the size of the portfolio, which generates additional interest earnings. See the following charts on the next page.

General Fund Revenues – 2014



General Fund Revenues –2013

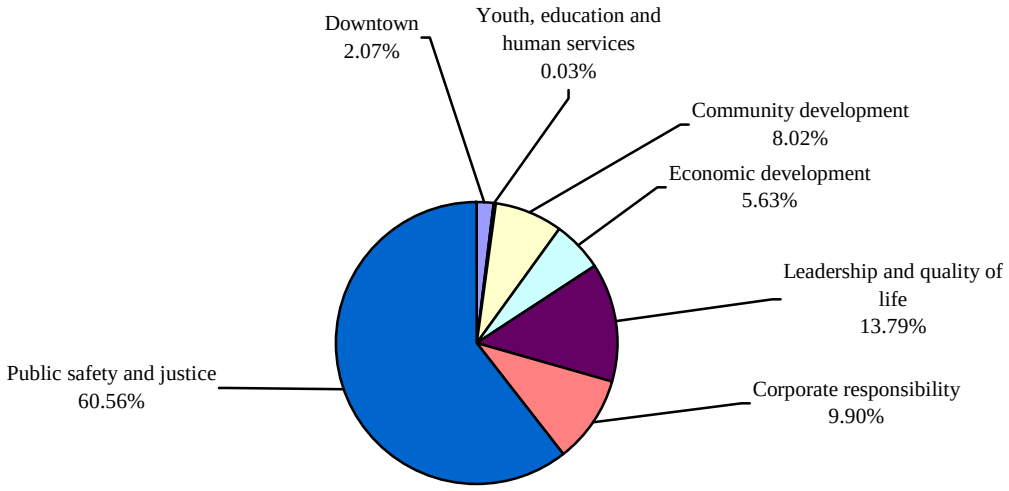


The table that follows assists in illustrating the expenditures of the general fund.

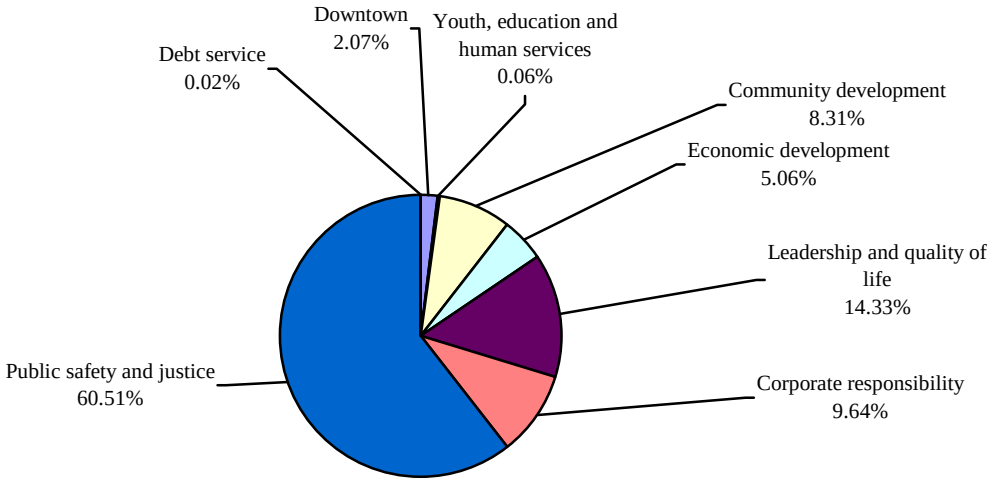
	2014 Amount	2013 Amount	Percentage Change
Expenditures			
Downtown	$ 3,133,077	$ 3,121,684	0.36 %
Youth, education and human services	43,715	94,956	(53.96) %
Community development and neighborhoods	12,132,154	12,550,966	(3.34) %
Economic development	8,518,467	7,637,298	11.54 %
Leadership and quality of life	20,846,393	21,635,997	(3.65) %
Corporate responsibility	14,969,909	14,559,687	2.82 %
Public safety and justice	91,571,422	91,339,659	0.25 %
Debt service	-	37,599	(100.00) %
Total	$ 151,215,137	$ 150,977,846	0.16 %

Overall expenditures of the general fund increased $237,291 or 0.16%. The largest expenditure of the City, public safety and justice, increased $231,763 or 0.25%. Police and Fire recruiting classes have been reinstated and mission critical job openings are being filled. With the local economy improving, the number of economic development projects increased, overall economic development expenditures increased by $881,169 or 11.54%. Some debt service expenditures that were paid from the general fund in fiscal year 2014 were not paid from the debt service fund in the current year, resulting in a decrease in debt service expenditures of $37,599 or 100.00%. See the charts below and on the following page.

General Fund Expenditures – 2014



General Fund Expenditures – 2013



Other Special Revenue Fund

The City's other special revenue fund balance decreased $257,451. See page F 38. The decrease in fund balance was the result of expenses exceeding revenues. The other special revenue major fund had $2,253,386 in revenues and other financing sources and $2,510,837 in expenditures in 2014. The fund balance in the other special revenue fund was $5,421,005, a 4.53% decrease from 2013. The Other Special Revenue fund has a variety of projects whose major revenue source is committed by a Commission ordinance. Currently, the largest project is the new $16 million street light assessment.

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Debt Service

The City's debt service fund balance decreased $33,452. See page F 38. The decrease in fund balance was the result of principal and interest expenses related to governmental activities debt exceeding revenues. The following tables illustrate the revenues and expenses of the debt service fund.

	2014 Amount	2013 Amount	Percentage Change
Revenues			
Taxes	$ 6,621,402	$ 6,320,353	4.76 %
Intergovernmental	2,561,893	2,497,546	2.58 %
Special assessments	84,644	98,471	(14.04) %
Investment income	50,599	51,860	(2.43) %
Other	97,840	200,609	(51.23) %
Total	$ 9,416,378	$ 9,168,839	2.70 %

	2014 Amount	2013 Amount	Percentage Change
Expenditures			
Corporate responsibility	$ 160,998	$ 280,158	(42.53) %
Bond issuance costs	137,465	-	100.00 %
Principal retirement	7,528,143	8,239,533	(8.63) %
Interest and fiscal charges	2,832,903	3,115,638	(9.07) %
Total	$ 10,659,509	$ 11,635,329	(8.39) %

The decrease in special assessment revenue was due to the end of the collection period for one of the sidewalk assessments. The City issued bonds in 2014, which resulted in bond issuance costs. The City did not issue bonds or notes in 2013.

Capital Improvements

The City's capital improvement fund increased by $5,307,320 or 19.72%. See page F 38. The tables below illustrate the revenues and expenses of the capital improvement fund. Revenues decreased $9,329,073 or 46.01%. The decrease in other revenue was $3,535,200, partially due to loan activity with CityWide, the City's component unit. Intergovernmental revenue decreased in 2014 due to a decrease in capital grants. 2013 was the final year the City received American Recovery and Reinvestment Act grants to fund capital projects. Expenditures decreased $1,268,239 or 5.26%. In addition to the revenues listed below, the Capital Improvements fund had $17,273,282 in other financing sources, which included proceeds from general obligation bonds, State Infrastructure Bank loans, State Infrastructure Bank bonds and capital lease transactions to fund capital projects.

	2014 Amount	2013 Amount	Percentage Change
Revenues			
Taxes	$ 514,880	$ 514,880	- %
Charges for services	361,283	75,403	379.14 %
Licenses and permits	-	1,423	(100.00) %
Intergovernmental	8,151,407	14,624,737	(44.26) %
Special assessments	-	216	(100.00) %
Payments in lieu of taxes	1,590,825	1,195,609	33.06 %
Other	326,704	3,861,904	(91.54) %
Total	$ 10,945,099	$ 20,274,172	(46.01) %

	2014 Amount	2013 Amount	Percentage Change
Expenditures			
Downtown	$ 50,000	$ 17,700	182.49 %
Youth, education and human services	8	-	100.00 %
Community development and neighbors	1,215,172	2,765,816	(56.06) %
Economic development	2,516,591	4,366,314	(42.36) %
Leadership and quality of life	2,297,546	1,841,771	24.75 %
Corporate responsibility	193,839	109,061	77.73 %
Public safety and justice	-	2,464	(100.00) %
Capital outlay	16,329,574	14,798,332	10.35 %
Debt service	248,135	217,646	14.01 %
Total	$ 22,850,865	$ 24,119,104	(5.26) %

2014 Budgeting Highlights – General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC) and the City of Dayton Charter, which was amended by voters in November of 2014. The budget is 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 Budget Commission in accordance with the Ohio Revised Code. Given that the City's plans or priorities may change during the year or economic conditions may improve or deteriorate, 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 should also be adjusted to ensure expenditures do not exceed available resources. In addition, if funding priorities change during the fiscal year, resources may be reallocated from one activity to another, necessitating a corresponding change in budget.

Budgetary information is presented for the general fund on page F 41. With respect to changes to the general fund, the final budget reflects projected revenues that were $812,100 less than the original budget, largely due to a decline in charges for services. Consequently, actual revenues had a negative variance of $1.1 million or 0.7% compared to the original budget and $243,745 or 0.2% less than the final budget. Actual general fund revenues performed better in six categories relative to the original forecast and underperformed in four. As it relates to the final budget, actual revenues also exceeded the budget in six categories but fell short in four. Nevertheless, the variances to both the original and the final budget were lower than 1%, well under the 3% performance benchmark.

Only one revenue category realized a variance in excess of 10%. Special assessments, at $177,352, were 32% or $57,352 over the original budget. The largest dollar value variance was the $1,686,551 negative variance to the original budget reported by charges for services, which translated into a 6.5% unfavorable difference. Underlying this decline were decreases in waste collection and EMS fees.

Actual expenditures in 2014 were $3.5 million or 2.3% under (favorable) the original budget while the final budget was $7.5 million or 4.8% higher than actuals. Three of the eight programmatic areas realized variances in excess of 10%. Youth, education and human services was budgeted at $60,000 but actual expenditures came in at $43,596 or $16,404 under the original budget. Economic development reported expenditures $1.1 million higher than the original budget and $1.2 million or 13% under the final budget. The final economic development budget provided flexibility for potential financing incentives to encourage job creation and investment in the city. Finally, the "other expenditure" category realized a $499,089 or 54% favorable variance to the original budget and a 40% favorable variance to the final budget. This variance is a function of allowing some flexibility in contingency funds during the year.

Actual operating transfers out were $4.2 million over the original budget and $287,568 under the final budget. A higher level of transfers was incorporated into the final budget given the lower than planned spending levels.

In both the original and final budget, use of fund balance was anticipated for special project activities as well as for investments. Funds for special projects are often received in one year and spent in later years, which was the case in 2014 especially as it relates to economic development projects. With the economy improving, economic development activity has picked up pace, which bodes well for future revenue growth. When the adjustment is made for prior year encumbrances, the general fund ended the year with a $58.6 million fund balance, which is $2.9 million less than 2013.

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 (as presented on the statement of net position on pages F 44 - F 47) reported a combined net position of $610,881,474, which is $11,939,305 above last year's total of $598,942,169.

The following table indicates the net position and the total change in net position as of December 31, 2014 for all major and nonmajor business-type funds.

	Net Position 12/31/14	Net Position 12/31/13	Increase (decrease)
Major Funds:			
Dayton International Airport	$ 280,088,725	$ 280,724,961	$ (636,236)
Water	185,492,256	177,974,904	7,517,352
Sewer	116,033,420	112,978,209	3,055,211
Other Business-type activities	29,267,073	27,264,095	2,002,978
Total	$ 610,881,474	$ 598,942,169	$ 11,939,305

Dayton International Airport (DIA)

The City's Dayton International Airport net position decreased $636,236 or 0.23%. See the table above.

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

	2014 Amount	2013 Amount	Percentage Change
Operating Revenues			
Charges for services	$ 26,454,375	$ 24,723,701	7.00 %
Other	5,810,298	5,413,741	7.33 %
Total	$ 32,264,673	$ 30,137,442	7.06 %

Operating revenues of the DIA fund increased $2,127,231 or 7.06%.

	2014 Amount	2013 Amount	Percentage Change
Operating Expenses			
Personal services	$ 9,116,369	$ 8,828,850	3.26 %
Benefit payments	3,598,647	3,617,186	(0.51) %
Contractual services	8,278,942	9,012,354	(8.14) %
Materials and supplies	1,734,180	1,368,590	26.71 %
Utilities	2,106,141	2,105,901	0.01 %
Depreciation	12,004,886	11,854,315	1.27 %
Other	2,078,550	1,831,119	13.51 %
Total	$ 38,917,715	$ 38,618,315	0.78 %

Operating expenses increased $299,400 or 0.78%. This increase is due to an increase in personal services, which increased $287,519 or 3.26% due to wage/salary increases for personnel. Depreciation increased due to the capitalization of improvement work at the terminal.

	2014 Amount	2013 Amount	Percentage Change
Nonoperating Revenues (Expenses)			
Interest revenue	$ 132,657	$ 91,047	45.70 %
Interest expense and fiscal charges	(2,010,646)	(2,242,168)	(10.33) %
Increase(decrease) in fair market value of investments	16,195	(101,013)	(116.03) %
Other financing sources	348,974	-	100.00 %
Bond issuance costs	(467,215)	-	(100.00) %
Transfers in	300,000	-	100.00 %
Capital contributions	7,696,841	13,086,053	(41.18) %
Total	$ 6,016,806	$ 10,833,919	(44.46) %

Other operating revenues and expenses decreased $4,817,113 or 44.46% due to a decrease in capital contributions related to Federal grants, specifically the American Recovery and Reinvestment Act (ARRA) grants.

Water

The City's water fund net position increased by $7,517,352 or 4.22%. See the table on F 19.

	2014 Amount	2013 Amount	Percentage Change
Operating Revenues			
Charges for services	$ 47,702,941	$ 44,291,334	7.70 %
Other	5,596,946	4,622,745	21.07 %
Total	$ 53,299,887	$ 48,914,079	8.97 %

Operating revenues increased $4,385,808 or 8.97%. The City experienced a warmer and dryer summer and spring, which resulted in an increase in water consumption.

	2014 Amount	2013 Amount	Percentage Change
Operating Expenses			
Personal services	$ 14,489,441	$ 14,114,923	2.65 %
Benefit payments	5,913,600	6,274,767	(5.76) %
Contractual services	6,070,667	6,754,371	(10.12) %
Materials and supplies	4,358,464	4,339,131	0.45 %
Utilities	5,823,990	5,355,087	8.76 %
Depreciation	6,017,476	6,039,413	(0.36) %
Other	2,823,444	2,828,876	(0.19) %
Total	$ 45,497,082	$ 45,706,568	(0.46) %

Operating expenses decreased $209,486 or 0.46%. Contractual services decreased $683,704 or 10.12%, in part as a result of decreased costs in management contracts.

	2014 Amount	2013 Amount	Percentage Change
Nonoperating Revenues (Expenses)			
Interest revenue	$ 133,940	$ 163,302	(17.98) %
Interest expense and fiscal charges	(557,445)	(664,898)	(16.16) %
Increase (decrease) in fair market value of investments	26,495	(96,103)	(127.57) %
Capital contributions	171,025	120,381	42.07 %
Loss on sale of capital assets	(59,468)	-	(100.00) %
Total	$ (285,453)	$ (477,318)	(40.20) %

The loss on sale of capital assets was due to the disposal of assets that were not fully depreciated during 2014.

Sewer

The City's sewer fund net position increased $3,055,211 or 2.70% during 2014. See page F 19.

	2014 Amount	2013 Amount	Percentage Change
Operating Revenues			
Charges for services	$ 32,034,019	$ 30,245,346	5.91 %
Other	251,626	1,489,741	(83.11) %
Total	$ 32,285,645	$ 31,735,087	1.73 %

Operating revenues increased $550,558 or 1.73% due mainly to an increase in the collection of sewer fees. Other operating revenues decreased due to a change in account coding, with more of those revenues more appropriately attributed to charges for services.

	2014 Amount	2013 Amount	Percentage Change
Operating Expenses			
Personal services	$ 7,107,145	$ 6,970,432	1.96 %
Benefit payments	2,852,346	3,041,836	(6.23) %
Contractual services	6,847,656	6,927,039	(1.15) %
Materials and supplies	2,015,748	2,312,379	(12.83) %
Utilities	2,786,808	3,081,051	(9.55) %
Depreciation	5,760,652	7,004,965	(17.76) %
Other	1,130,760	1,148,662	(1.56) %
Total	$ 28,501,115	$ 30,486,364	(6.51) %

Operating expenses decreased $1,985,249 or 6.51%. Materials and supplies expenses decreased by $296,631 or 12.83%. These expenses were primarily related to maintenance and repair costs.

	2014 Amount	2013 Amount	Percentage Change
Nonoperating Revenues (Expenses)			
Interest revenue	$ 124,417	$ 125,437	(0.81) %
Increase(decrease) in fair market value of investments	17,816	(74,795)	123.82 %
Interest expense and fiscal charges	(871,552)	(1,001,056)	12.94 %
Total	$ (729,319)	$ (950,414)	23.26 %

The increase in fair market value is an indication of fluctuation in the investment market at year end.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2014, the City had $930,351,570 (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, $427,617,360 was reported in governmental activities and $502,734,210 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure.

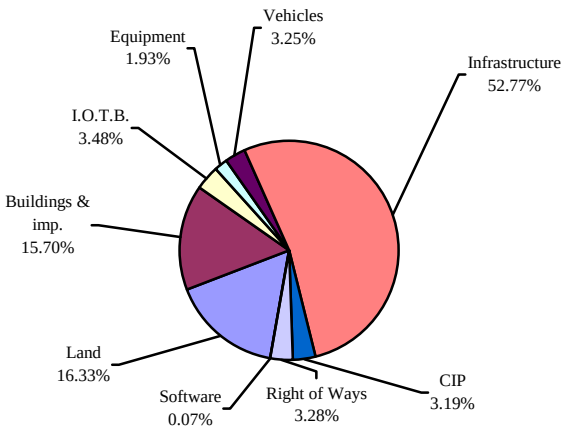
The following table shows December 31, 2014 balances compared to December 31, 2013:

Capital Assets At December 31
(Net of Depreciation)

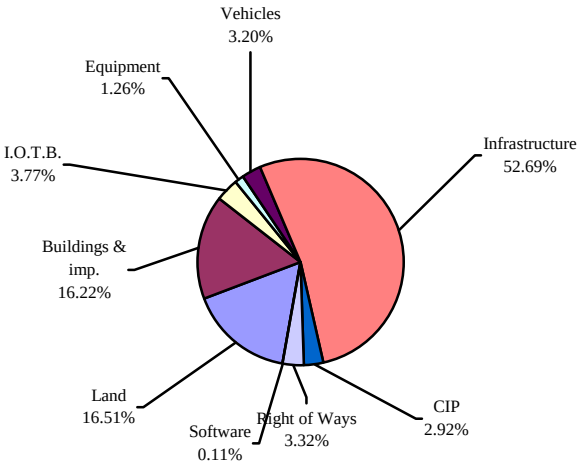
	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Land	$ 69,839,860	$ 69,689,132	$ 42,965,353	$ 42,965,353	$ 112,805,213	$ 112,654,485
Construction in progress	13,656,873	12,307,497	30,498,257	42,888,244	44,155,130	55,195,741
Right of ways	14,007,402	14,007,402	-	-	14,007,402	14,007,402
Buildings and improvements	67,138,406	68,473,855	128,530,043	131,950,299	195,668,449	200,424,154
Improvements other than buildings (IOTB)	14,892,517	15,899,724	278,953,665	254,358,136	293,846,182	270,257,860
Equipment	8,247,153	5,316,550	6,379,967	6,026,701	14,627,120	11,343,251
Software	314,395	477,043	1,205,965	744,430	1,520,360	1,221,473
Vehicles	13,895,333	13,498,450	14,200,960	13,684,084	28,096,293	27,182,534
Infrastructure	225,625,421	222,460,108	-	-	225,625,421	222,460,108
Total	$ 427,617,360	$ 422,129,761	$ 502,734,210	$ 492,617,247	$ 930,351,570	$ 914,747,008

The following graphs show the breakdown of governmental capital assets by category for 2014 and 2013.

Capital Assets - Governmental Activities 2014



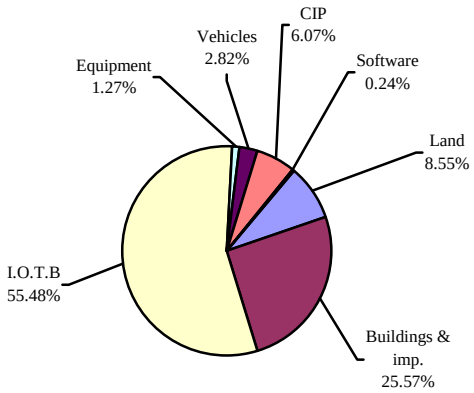
Capital Assets - Governmental Activities 2013



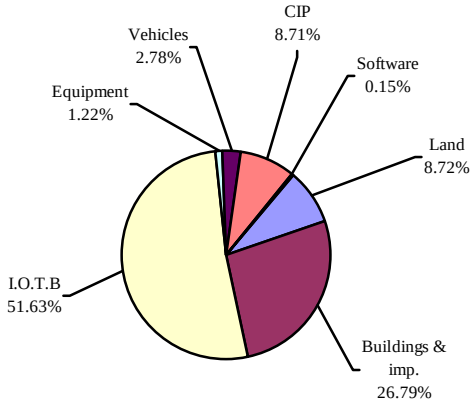
The City's largest governmental capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City; however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 52.77% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2014 and 2013.

Capital Assets - Business-Type Activities 2014



Capital Assets - Business-Type Activities 2013



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 55.48% of the City's total business-type capital assets.

Debt Administration

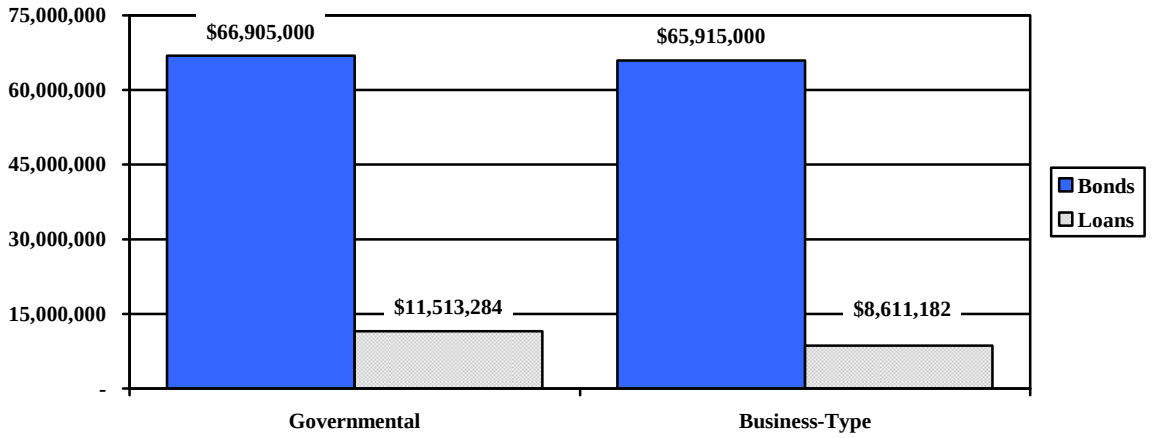
The City had the following long-term obligations outstanding At December 31, 2014 and 2013:

	Governmental Activities 2014	Governmental Activities 2013
General obligation bonds	$ 38,620,000	$ 38,541,400
Revenue bonds	28,285,000	30,305,000
Special assessment bonds	-	23,200
Total bonds	66,905,000	68,869,600
OPWC loans	617,964	661,507
State infrastructure bank loan	2,500,000	-
State infrastructure bank bonds	3,540,000	-
Lease purchase agreement	1,995,320	-
Ohio Department of Development Loan	2,860,000	2,860,000
Total loans	11,513,284	3,521,507
Total long-term obligations	$ 78,418,284	$ 72,391,107

	Business-type Activities 2014	Business-type Activities 2013
General obligation bonds	$ 36,525,000	$ 38,888,600
Revenue bonds	29,390,000	32,090,000
Total bonds	65,915,000	70,978,600
Lease purchase agreements	648,196	-
OWDA loans	7,662,986	8,433,383
OPWC loans	300,000	350,000
Total loans	8,611,182	8,783,383
Total long-term obligations	$ 74,526,182	$ 79,761,983

See Note 14 in the basic financial statements for additional disclosures and detail regarding the City's debt activity
A comparison of the long-term obligations by category is depicted in the chart below.

Long-term Obligations



Economic Factors and the 2015 Budget

During the second half of 2014 and the beginning of 2015, regional employment growth has been quite strong with even greater momentum expected during 2015 with the announcement of thousands of new jobs. In Dayton, Goodwill Easter Seals opened its new headquarters in late 2014, Children's Medical Center has broken ground on a $140 million expansion to its campus and the exciting Water Street Development on the river with its class A office space and 200 luxury apartment units is well underway.

Despite the positive momentum, the City's general fund revenues decreased 1.2% or $2 million (on a budget basis) in 2014 as a result of the state of Ohio's repeal of the estate tax and weaker charges for services; namely waste collection and EMS fees. Offsetting the decline was a 0.7% or $715,200 increase in income taxes, which marks their fourth consecutive year of growth.

Employment and the Income Tax

The City's largest single revenue source—the income tax—also reached its nadir in 2010 and has experienced four consecutive years of growth, rising 4.6% or $4.5 million over the four-year period. The components of the income tax also shed light on the condition of the Dayton economy. Specifically, growth in 2013 was solely attributable to the tax on business profits, which climbed 16% or $1.7 million, while the tax on wages earned in the city, or withholding, fell 1.2%. The dramatic growth in business profits is thought to be the result of changes in the federal tax code which prompted businesses to remit prior to the effective date. Accordingly, the tax on business profits sank significantly during the first 11 months of 2014, yet this tax category was able to end the year with flat growth due to a large payment received in December.

For any economic recovery to gain real traction, wage and job growth is needed. This was realized in 2013 when withholding posted its second increase since 2006, rising 1.1%. The gain would have been greater except for the severe winter. When the first quarter is omitted, withholding growth was 2.1%.

The original forecast for 2015 income tax is $103.6 million or just under 1% growth. This rate of growth is less than the long run trend of 1.6%. However, with accelerating employment growth, there is also a growing sense of optimism that stronger economic activity is on the horizon and, as such, early indictors are that growth will surpass the modest forecast.

Property Values and the Property Tax

Although the city of Dayton did not enjoy the dramatic home value appreciation that many metro areas realized during the real estate boom; we were not immune to their subsequent bust. The decline has continued with the Auditor's revaluation conducted in 2014, impacting 2015 collections. To illustrate, total city real property valuations are down 26% from their peak in 2006 and are currently at their lowest levels since 2002. Moreover, 16,787 or 23% of properties in Dayton are vacant, according to the 2013 American Community Survey with many of these properties completely abandoned during the foreclosure process. This has left the City organization with over 6,000 vacant properties that must be mowed regularly during the spring and summer months and thousands of properties in such disrepair that demolition is the only option. With a typical vacant property demolition costing $10,000, the City is not in a financial position to accomplish this goal.

At the same time that values have fallen, delinquencies have also been on the rise. In 2009, 11.6% of the current levy was delinquent. By 2012, that number had increased to 14.7%, but the delinquency rate improved to 13.1% in 2014.

Additionally, reimbursements from the repeal of the tangible personal property tax and the public utility tax by the State have been eliminated for all current year expense levies, for Dayton that means the general fund. And finally, since 2012, 0.5 mills have been shifted from the general fund to the bond retirement fund to help offset the loss of revenue due to the recent decline in values. Taken together, these factors have depressed collections over the last few years with the 2015 forecast for property and other local taxes at $5.8 million, down from $6.2 million in 2014.

State Revenue Sharing and the Local Government Fund

When faced with a reported $8 billion deficit in their 2012/2013 biennial budget, the governor and legislature chose to dramatically cut long-standing revenue-sharing programs with local governments. These reductions included eliminating the reimbursements associated with the tangible personal property and public utility taxes for all current expense levies, which reduced general fund revenues by $1.6 million.

In addition to the cuts to tangible personal property and public utility reimbursements, the state also slashed the local government fund by 50% over two state fiscal years and has completely eliminated the local share of dealers in intangible taxes. These actions reduced revenues by $6.3 million over the two-year period. And to further compound the situation, the legislature also passed legislation to eliminate the estate tax, 80% of which was credited to local governments. Though the effective date of the repeal was January of 2013, the City received $2.5 million in 2013 and $305,691 in 2014 from estates that predated the elimination of the tax. Taken together the impact of state revenue-sharing cuts exceeds $10 million in general fund support.

Looking ahead to 2015, state-shared revenues are expected to decline another $143,000 due to the loss of estate taxes and tepid growth in state tax revenues that support the local government fund. Tax reform has reduced state income tax rates and eliminated or reduced what small business owners are required to pay in income taxes.

Casino Tax Revenue

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

The first two casinos opened in May of 2012 and three of the four were operational by the end of 2012. Cincinnati opened its doors in March of 2013. While the City is grateful for any new revenue source, casino gross revenues are performing considerably short of original estimates and, consequently, have been revised downward. For 2012 and 2013, the City received $703,000 and $3 million, respectively. Casino revenues were $3.2 million in 2014, which was the first full year of operation for all four casinos. The estimate for 2015 is $3.3 million and is recorded under the intergovernmental category.

Other Sources

Given the reductions in state-shared revenues, and otherwise modest revenue growth, it was necessary to balance the 2015 budget with $2.5 million of the cash reserve. The planned use of the reserve proved necessary when the state legislature restricted the use of the City's public safety photo enforcement program. The City has documented evidence that photo enforcement reduced accidents. And, while the program does generate revenue ($1.7 million in net revenue in 2014) its purpose is to deploy technology for both public safety and efficiency benefits.

Cost Containment and Workforce Reductions

After more than a decade of workforce reductions resulting in 700 or 40% fewer filled positions, 2013 marked the first year for stable employment levels followed by a slight increase in 2014. This is not to suggest, however, that cost containment is not still a reality for the City of Dayton organization. But what it does mean is that recruit classes for Police and Fire have been reinstated (after settling a lawsuit with the Department of Justice) and mission critical positions are being filled.

Wage increases were very modest in 2013 and 2014 while converting to a self-insured health plan and investing in wellness initiatives have helped rein in costs. Labor negotiations for the 2015 -2017 contract years were successful with three of the City's four bargaining groups, resulting in a three-year wage package of 3%, 2% and 2%. Additionally, the contracts contain several cost containment articles for health insurance.

Next Year's Budget and Rates

The unencumbered general fund balance on a budgetary basis is expected to remain within the minimum policy parameter level of 6 weeks of operating reserves.

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

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BASIC
FINANCIAL STATEMENTS

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Unit**
Assets:				
Equity in pooled cash and investments	$ 110,379,362	$ 176,965,494	$ 287,344,856	$ 3,558,302
Cash with fiscal and escrow agents	5,922,802	-	5,922,802	-
Receivables:				
Property and other local taxes	21,031,744	-	21,031,744	-
Municipal income taxes	15,564,851	-	15,564,851	-
Accounts	6,920,927	15,064,505	21,985,432	141,446
Payments in lieu of taxes	2,208,978	-	2,208,978	-
Contracts	-	-	-	371,841
Special assessments	17,313,771	1,922,993	19,236,764	-
Accrued interest	180,401	253,776	434,177	1,884,233
Due from other governments	18,203,199	1,348,317	19,551,516	-
Loans receivable	29,081,524	-	29,081,524	14,698,305
Internal balance	542,226	(542,226)	-	-
Due from component units	12,094,900	1,497,786	13,592,686	-
Materials and supplies inventory	-	1,619,049	1,619,049	-
Inventory held for resale	689,946	-	689,946	-
Deposits	-	-	-	1,677
Prepayments	977,100	155,542	1,132,642	136,304
Restricted assets:				
Equity in pooled cash and cash equivalents	-	134,098	134,098	4,477,331
Cash with fiscal and escrow agents	-	2,684,286	2,684,286	-
Equity investments	-	-	-	557,254
Capital assets:				
Land and construction in progress	97,504,135	73,463,610	170,967,745	-
Depreciable capital assets, net	330,113,225	429,270,600	759,383,825	30,582,327
Total capital assets, net	427,617,360	502,734,210	930,351,570	30,582,327
Total assets	668,729,091	703,837,830	1,372,566,921	56,409,020
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	1,595,042	543,415	2,138,457	-
Total deferred outflows of resources	1,595,042	543,415	2,138,457	-

- - continued

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF NET POSITION (continued)
DECEMBER 31, 2014

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Unit**
Liabilities:				
Accounts payable	$ 1,963,805	$ 2,798,873	$ 4,762,678	$ 272,793
Contracts payable	3,581,637	5,959,036	9,540,673	-
Retainage payable	537,180	1,711,124	2,248,304	-
Grants payable	-	-	-	463,424
Accrued wages and benefits payable	5,013,127	1,739,309	6,752,436	-
Due to other governments	4,668,750	627,431	5,296,181	-
Due to primary government	-	-	-	13,592,686
Accrued interest payable	171,804	376,432	548,236	1,240,316
Payable from restricted assets:				
Utility deposits	-	134,098	134,098	-
Accrued liabilities and other payables	-	-	-	1,207,735
Long-term liabilities:				
Due within one year	16,552,718	7,079,079	23,631,797	1,094,925
Due in more than one year	83,773,668	72,518,962	156,292,630	31,149,155
Total liabilities	116,262,689	92,944,344	209,207,033	49,021,034
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	12,789,539	-	12,789,539	-
Payments in lieu of taxes levied for the next fiscal year	1,163,232	-	1,163,232	-
Total deferred inflows of resources	13,952,771	-	13,952,771	-
Net position:				
Net investment in capital assets	380,538,467	420,343,386	800,881,853	(127,249)
Restricted for:				
Permanent fund:				
Expendable	80,395	-	80,395	-
Nonexpendable	102,228	-	102,228	-
Capital projects	9,321,820	-	9,321,820	-
Debt service	31,574,122	-	31,574,122	-
Housing and urban development	6,488,107	-	6,488,107	-
Special projects	5,421,005	-	5,421,005	-
Street and highway projects	3,742,967	-	3,742,967	-
Other purposes	8,038,252	-	8,038,252	1,587,396
Unrestricted	94,801,310	191,093,515	285,894,825	5,927,839
Total net position	$ 540,108,673	$ 611,436,901	$ 1,151,545,574	$ 7,387,986

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Downtown	$ 3,973,957	$ 572,477	$ 393	$ -
Youth, education and human services	3,499,722	7,965	675,569	-
Community development and neighborhoods	22,225,850	3,017,823	7,579,430	-
Economic development	13,940,292	6,401,968	2,448,661	-
Leadership and quality of life	42,943,946	13,688,808	11,799,651	7,184,234
Corporate responsibility	14,189,753	2,850,358	214,561	-
Public safety and justice	90,511,356	25,704,452	3,190,951	-
Interest and fiscal charges	2,608,301	158,829	-	-
Bond issuance costs	195,142	-	-	-
Total governmental activities	194,088,319	52,402,680	25,909,216	7,184,234
Business-type activities:				
Dayton International Airport	41,476,361	26,454,375	-	7,696,841
Water	46,245,372	47,702,941	-	171,025
Sewer	29,448,754	32,034,019	-	-
Other business-type activities:				
Storm Water	5,480,442	7,330,340	-	71,485
Golf	2,957,656	2,874,737	-	-
Total business-type activities	125,608,585	116,396,412	-	7,939,351
Total primary government	$ 319,696,904	$ 168,799,092	$ 25,909,216	$ 15,123,585
Component Unit:				
CityWide Development Corporations	$ 6,164,685	$ 4,786,137	$ -	$ 397,221

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

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year.

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (3,401,087)	$ -	$ (3,401,087)	$ -
(2,816,188)	-	(2,816,188)	-
(11,628,597)	-	(11,628,597)	-
(5,089,663)	-	(5,089,663)	-
(10,271,253)	-	(10,271,253)	-
(11,124,834)	-	(11,124,834)	-
(61,615,953)	-	(61,615,953)	-
(2,449,472)	-	(2,449,472)	-
(195,142)		(195,142)	
(108,592,189)	-	(108,592,189)	-
-	(7,325,145)	(7,325,145)	-
-	1,628,594	1,628,594	-
-	2,585,265	2,585,265	-
-	1,921,383	1,921,383	-
-	(82,919)	(82,919)	-
-	(1,272,822)	(1,272,822)	-
(108,592,189)	(1,272,822)	(109,865,011)	-
-	-	-	(981,327)
6,235,698	-	6,235,698	-
6,682,404	-	6,682,404	-
103,721,834	-	103,721,834	-
1,771,683	-	1,771,683	-
15,529,135	-	15,529,135	-
1,722,766	485,592	2,208,358	1,714
3,453,599	12,044,998	15,498,597	225,224
139,117,119	12,530,590	151,647,709	226,938
(360,000)	360,000	-	-
138,757,119	12,890,590	151,647,709	226,938
30,164,930	11,617,768	41,782,698	(754,389)
$509,943,743	599,819,133	$1,109,762,876	8,142,375
$ 540,108,673	$ 611,436,901	$ 1,151,545,574	$ 7,387,986

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Other Special Revenue	Debt Service	Capital Improvement
Assets:				
Equity in pooled cash and investments	$ 44,457,309	$ 5,690,375	$ 9,859,999	$ 17,742,116
Cash with fiscal and escrow agents	675	-	-	5,922,127
Receivables:				
Property and other local taxes	9,482,401	-	11,549,343	-
Municipal income taxes	15,564,851	-	-	-
Accounts	6,404,681	67,279	18,750	312,800
Payments in lieu of taxes	-	-	-	2,208,978
Special assessments	273,227	16,492,341	120,493	-
Accrued interest	153,568	1,910	-	-
Due from other funds	28,243	-	-	-
Due from other governments	6,029,114	-	194,611	4,995,559
Loans receivable	6,375,620	-	16,370,000	6,335,904
Advances to other funds	200,000	-	1,086,841	-
Prepayments	741,187	500	-	-
Due from component units	3,474,667	-	-	2,395,184
Total assets	$ 93,185,543	$ 22,252,405	$ 39,200,037	$ 39,912,668
Liabilities:				
Accounts payable	$ 1,159,790	$ 46,194	$ -	$ 358,827
Contracts payable	392,774	220,801	-	1,730,904
Accrued wages and benefits payable	4,571,575	24,992	-	7,571
Retainage payable	-	-	-	515,285
Compensated absences payable	60,367	-	-	-
Advances from other funds	217,584	-	-	-
Due to other funds	26,770	499	-	470
Due to other governments	2,931,585	-	-	-
Claimants payable	7,163	-	-	-
Total liabilities	9,367,608	292,486	-	2,613,057
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	5,755,334	-	7,034,205	-
Delinquent property tax revenue not available	3,694,204	-	4,515,138	-
Accrued interest not available	78,957	982	-	-
Special assessments revenue not available	273,227	16,492,341	120,493	-
Miscellaneous revenue not available	2,984,935	45,591	-	126,843
Income tax revenue not available	6,246,844	-	-	-
Intergovernmental revenue not available	3,195,581	-	194,611	2,745,308
Payments in lieu of taxes levied for the next fiscal year	-		-	1,163,232
Delinquent payment in lieu of taxes revenue not available	-	-	-	1,045,746
Total deferred inflows of resources	22,229,082	16,538,914	11,864,447	5,081,129
Fund balances:				
Nonspendable	11,113,881	500	-	-
Restricted	-	5,420,505	26,915,684	15,704,146
Committed	1,985,533	-	419,906	8,310,682
Assigned	21,268,158	-	-	8,203,654
Unassigned	27,221,281	-	-	-
Total fund balances	61,588,853	5,421,005	27,335,590	32,218,482
Total liabilities, deferred inflows and fund balances	$ 93,185,543	$ 22,252,405	$ 39,200,037	$ 39,912,668

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
$ 6,500,452	$ 84,250,251
-	5,922,802
-	21,031,744
-	15,564,851
102,999	6,906,509
-	2,208,978
427,710	17,313,771
956	156,434
-	28,243
6,950,713	18,169,997
-	29,081,524
-	1,286,841
-	741,687
6,225,049	12,094,900
$ 20,207,879	$ 214,758,532
$ 231,905	$ 1,796,716
1,237,158	3,581,637
244,177	4,848,315
21,895	537,180
-	60,367
-	217,584
8,277	36,016
12,518	2,944,103
-	7,163
1,755,930	14,029,081
-	12,789,539
-	8,209,342
492	80,431
427,710	17,313,771
98,380	3,255,749
-	6,246,844
6,067,602	12,203,102
-	1,163,232
-	1,045,746
6,594,184	62,307,756
102,228	11,216,609
11,755,537	59,795,872
-	10,716,121
-	29,471,812
-	27,221,281
11,857,765	138,421,695
$ 20,207,879	$ 214,758,532

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total governmental fund balances		$ 138,421,695
Amounts reported for governmental activities on the statement of net position are different than the net position because:		
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.		426,660,482
2. Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property and other local taxes receivable	$ 11,920,669	
Payments in lieu of taxes receivable	1,045,746	
Municipal income taxes receivable	6,246,844	
Accounts receivable	3,645,756	
Special assessments receivable	17,313,771	
Accrued interest receivable	80,431	
Due from other governments	8,101,768	
Total		48,354,985
3. Internal service funds are used by management to charge the costs of fleet management fire fleet management, stores and reproduction, workers' compensation, 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, including internal balances of $555,427 are:		17,700,815
4. In the statement of net position interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.		(171,804)
5. Unamortized deferred amounts on refundings are not recognized in the governmental funds.		1,595,042
6. Unamortized premiums on bond issuances are not recognized in the governmental funds.		(5,290,503)
7. 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	(38,620,000)	
Revenue bonds	(28,285,000)	
Lease obligations	(1,995,320)	
State Infrastructure Bank Loan	(2,500,000)	
State Infrastructure Bank Bonds	(3,540,000)	
Compensated absences	(8,743,755)	
OPWC loans	(617,964)	
ODOD Loan	(2,860,000)	
		(87,162,039)
Net position of governmental activities		$ 540,108,673

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, 2014

	General	Other Special Revenue	Debt Service	Capital Improvement
Revenues:				
Municipal income taxes	$ 103,916,809	$ -	$ -	$ -
Property and other taxes	5,670,907	-	6,621,402	514,880
State shared taxes	7,795,465	-	2,561,893	-
Charges for services	25,945,726	286,650	-	361,283
Licenses and permits	1,348,270	33,645	-	-
Fines and forfeitures	3,344,171	25,419	-	-
Intergovernmental	5,063,826	-	-	8,151,407
Special assessments	177,352	454,052	84,644	-
Investment income	1,584,111	3,181	50,599	-
Payments in lieu of taxes	-	-	-	1,590,825
Increase in FMV of investments	32,000	400	-	-
Other	3,374,509	1,394,747	97,840	326,704
Total revenues	158,253,146	2,198,094	9,416,378	10,945,099
Expenditures:				
Current:				
Downtown	3,133,077	-	-	50,000
Youth, education and human services	43,715	-	-	8
Community development and neighborhoods	12,132,154	73,736	-	1,215,172
Economic development	8,518,467	564,293	-	2,516,591
Leadership and quality of life	20,846,393	1,127,026	-	2,297,546
Corporate responsibility	14,969,909	16,147	160,998	193,839
Public safety and justice	91,571,422	729,635	-	-
Capital outlay	-	-	-	16,329,574
Debt service:				
Bond issuance costs	-	-	137,465	57,677
Principal retirement	-	-	7,528,143	180,000
Interest and fiscal charges	-	-	2,832,903	10,458
Total expenditures	151,215,137	2,510,837	10,659,509	22,850,865
Excess (deficiency) of revenues over (under) expenditures	7,038,009	(312,743)	(1,243,131)	(11,905,766)
Other financing sources (uses):				
Bond issuance	-	-	-	9,240,000
Capital lease transaction	-	-	-	1,995,320
Issuance of loans	-	-	-	2,500,000
Transfers in	-	55,292	960,409	3,537,962
Transfers (out)	(6,318,132)	-	-	-
Premium on bond issuance	-	-	249,270	-
Discount on note issuance	-	-	-	(60,196)
Total other financing sources (uses)	(6,318,132)	55,292	1,209,679	17,213,086
Net change in fund balances	719,877	(257,451)	(33,452)	5,307,320
Fund balances at beginning of year	60,868,976	5,678,456	27,369,042	26,911,162
Fund balances at end of year	$ 61,588,853	$ 5,421,005	$ 27,335,590	$ 32,218,482

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
$ -	$ 103,916,809
-	12,807,189
5,341,746	15,699,104
801,575	27,395,234
-	1,381,915
445,880	3,815,470
18,541,525	31,756,758
38,922	754,970
1,424	1,639,315
-	1,590,825
485	32,885
334,809	5,528,609
25,506,366	206,319,083
387	3,183,464
665,177	708,900
9,128,968	22,550,030
1,746,926	13,346,277
8,513,901	32,784,866
146,000	15,486,893
3,176,603	95,477,660
-	16,329,574
-	195,142
-	7,708,143
-	2,843,361
23,377,962	210,614,310
2,128,404	(4,295,227)
-	9,240,000
-	1,995,320
-	2,500,000
1,522,378	6,076,041
-	(6,318,132)
-	249,270
-	(60,196)
1,522,378	13,682,303
3,650,782	9,387,076
8,206,983	129,034,619
$ 11,857,765	$ 138,421,695

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, 2014

Net change in fund balances - total governmental funds		$ 9,387,076
Amounts reported for governmental activities in the statement of activities are different because:		
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 ($19,494,767) exceeded depreciation expense ($13,963,483) in the current period (exclusive of internal service fund activity).		5,531,284
2. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	$ (194,975)	
Property and other local taxes	225,404	
Payments in lieu of taxes	180,858	
Charges for services	2,140,980	
Intergovernmental	(577,751)	
Special assessments	16,423,854	
Investment income	9,389	
Total		18,207,759
3. Repayments of bond, loan and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net position.		
Bond principal payments	7,664,600	
Loan principal payments	43,543	
Total		7,708,143
4. Issuance of bonds, loans and leases 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.		(13,735,320)
5. Premiums and discounts on bonds and notes are amortized over the life of the issuance in the statement of activities.		(189,074)
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:		
Decrease in accrued interest payable	5,407	
Amortization of bond premiums and discounts	403,668	
Amortization of deferred charges on refundings	(174,015)	
Total		235,060
7. Some 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.		
Compensated absences	480,701	
Pollution remediation obligation	15,738	
Total		496,439
8. Internal service funds used by management to charge the costs of fleet management, fire fleet management, stores and reproduction, workers' compensation, 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 (expense) of the internal service funds, including internal balances of $321,537, is allocated among governmental activities.		2,523,563
Change in net position of governmental activities		$ 30,164,930

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Municipal income taxes	$ 102,711,400	$ 102,094,400	$ 102,649,505	$ 555,105
Property and other taxes	6,003,200	6,250,100	6,239,960	(10,140)
State shared taxes	7,391,700	7,397,200	7,242,146	(155,054)
Charges for services	27,588,400	26,683,200	25,901,849	(781,351)
Licenses and permits	1,425,000	1,241,800	1,348,270	106,470
Fines and forfeitures	3,140,000	3,290,900	3,316,271	25,371
Intergovernmental	5,011,200	5,087,700	5,120,697	32,997
Special assessments	120,000	175,900	177,352	1,452
Investment income	1,524,800	1,524,300	1,552,185	27,885
Other	3,039,900	3,398,000	3,351,520	(46,480)
Total revenues	157,955,600	157,143,500	156,899,755	(243,745)
Expenditures:				
Current:				
Downtown	3,001,700	3,453,300	3,193,510	259,790
Youth, education and human services	60,000	-	43,596	(43,596)
Community development and neighborhoods	12,475,900	12,450,900	12,313,175	137,725
Economic development	8,349,700	10,733,800	9,496,949	1,236,851
Leadership and quality of life	23,583,500	24,067,900	22,545,145	1,522,755
Corporate responsibility	16,609,000	16,693,100	15,689,840	1,003,260
Public safety and justice	93,619,100	94,355,700	91,394,641	2,961,059
Other	1,429,200	1,300,800	930,111	370,689
Debt service:				
Principal retirement	68,400	68,400	68,345	55
Interest and fiscal charges	12,900	12,900	8,578	4,322
Total expenditures	159,209,400	163,136,800	155,683,890	7,452,910
Excess (deficiency) of revenues over (under) expenditures	(1,253,800)	(5,993,300)	1,215,865	7,209,165
Other financing uses:				
Transfers (out)	(2,136,200)	(6,605,700)	(6,318,132)	287,568
Total other financing uses	(2,136,200)	(6,605,700)	(6,318,132)	287,568
Net change in fund balances	(3,390,000)	(12,599,000)	(5,102,267)	7,496,733
Fund balance at beginning of year	61,540,289	61,540,289	61,540,289	-
Prior year encumbrances appropriated	2,175,743	2,175,743	2,175,743	-
Fund balance at end of year	$ 60,326,032	$ 51,117,032	$ 58,613,765	$ 7,496,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DAYTON, OHIO
MONTGOMERY COUNTY, OHIO

STATEMENT 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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Charges for services	$ 296,000	$ 359,800	$ 380,414	$ 20,614
Licenses and permits	26,200	31,800	33,645	1,845
Special assessments	353,400	429,400	454,052	24,652
Other	1,056,400	1,283,800	1,360,274	76,474
Total revenues	1,732,000	2,104,800	2,228,385	123,585
Expenditures:				
Current:				
Community development and neighborhoods	92,500	92,500	87,641	4,859
Economic development	1,361,100	1,013,000	571,256	441,744
Leadership and quality of life	310,000	2,217,000	1,849,071	367,929
Corporate responsibility	-	-	12,000	(12,000)
Public safety and justice	1,094,100	1,160,100	892,927	267,173
Total expenditures	2,857,700	4,482,600	3,412,895	1,069,705
Excess of expenditures over revenues	(1,125,700)	(2,377,800)	(1,184,510)	1,193,290
Other financing sources:				
Transfers in	43,000	52,300	55,292	2,992
Total other financing sources	43,000	52,300	55,292	2,992
Net change in fund balances	(1,082,700)	(2,325,500)	(1,129,218)	1,196,282
Fund balances at beginning of year	3,431,785	3,431,785	3,431,785	-
Prior year encumbrances appropriated	1,109,881	1,109,881	1,109,881	-
Fund balance at end of year	$ 3,458,966	$ 2,216,166	$ 3,412,448	$ 1,196,282

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, 2014

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	**Water**	**Sewer**	**Nonmajor Enterprise Funds**
Assets:				
Current assets:				
Equity in pooled cash and investments	$ 51,813,385	$ 63,640,940	$ 49,897,757	$ 11,613,412
Receivables:				
Accounts	2,917,436	6,077,611	4,539,120	1,530,338
Special assessments	-	874,012	418,219	630,762
Accrued interest	77,153	85,229	74,114	17,280
Due from other funds	-	4,130,215	-	-
Due from other governments	1,033,472	292,783	-	22,062
Advances to other funds	-	-	-	-
Due from component units	-	1,497,786	-	-
Materials and supplies inventory	65,930	1,553,119	-	-
Inventory held for resale	-	-	-	-
Prepayments	90,292	45,440	14,828	4,982
Total current assets	55,997,668	78,197,135	54,944,038	13,818,836
Noncurrent assets:				
Capital assets:				
Land and construction in progress	48,065,966	14,216,936	10,528,281	652,427
Depreciable capital assets, net	220,245,845	112,538,222	79,317,144	17,169,389
Total capital assets, net	268,311,811	126,755,158	89,845,425	17,821,816
Restricted assets:				
Equity in pooled cash and cash equivalents	-	134,098	-	-
Cash with fiscal and escrow agents	2,684,286	-	-	-
Total restricted assets	2,684,286	134,098	-	-
Total noncurrent assets	270,996,097	126,889,256	89,845,425	17,821,816
Total assets	326,993,765	205,086,391	144,789,463	31,640,652
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	543,415	-	-	-
Total deferred outflows of resources	543,415	-	-	-
Total assets and deferred outflows of resources	327,537,180	205,086,391	144,789,463	31,640,652

	Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
	$ 176,965,494	$ 26,129,111
	15,064,505	14,418
	1,922,993	-
	253,776	23,967
	4,130,215	36,028
	1,348,317	33,202
	-	217,584
	1,497,786	-
	1,619,049	-
	-	689,946
	155,542	235,413
	202,957,677	27,379,669
	73,463,610	75,000
	429,270,600	881,878
	502,734,210	956,878
	134,098	-
	2,684,286	-
	2,818,384	-
	505,552,594	956,878
	708,510,271	28,336,547
	543,415	-
	543,415	-
	709,053,686	28,336,547

- - Continued

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	**Water**	**Sewer**	**Nonmajor Enterprise Funds**
Liabilities:				
Current liabilities:				
Accounts payable	992,808	1,375,084	409,079	21,902
Contracts payable	3,491,274	1,282,730	1,175,015	10,017
Retainage payable	936,984	335,100	439,040	-
Accrued wages and benefits payable	497,638	723,769	364,704	153,198
Due to other funds	1,495	7,600	3,447,004	684,928
Due to other governments	482,887	140,575	618	3,351
Accrued interest payable	148,290	43,734	184,408	-
Compensated absences payable - current	625,087	1,063,848	462,690	250,614
Advances from other funds	-	-	-	1,086,841
General obligation bonds payable	400,000	925,000	935,000	-
Revenue bonds payable	1,445,000	-	-	-
OWDA loans payable	-	-	800,295	-
OPWC loans payable	-	-	50,000	-
Claims and judgments payable	-	-	-	-
Capital lease obligations payable	32,236	54,224	29,680	5,405
Payable from restricted assets:				
Utility deposits	-	134,098	-	-
Total current liabilities	9,053,699	6,085,762	8,297,533	2,216,256
Long-term liabilities:				
Compensated absences payable	333,986	568,418	247,218	133,905
General obligation bonds payable	8,590,000	12,705,000	12,970,000	-
Revenue bonds payable	29,331,093	-	-	-
OWDA loans payable	-	-	6,862,691	-
OPWC loans payable	-	-	250,000	-
Capital lease obligations payable	139,677	234,955	128,601	23,418
Claims and judgments payable	-	-	-	-
Total long-term liabilities	38,394,756	13,508,373	20,458,510	157,323
Total liabilities	47,448,455	19,594,135	28,756,043	2,373,579
Net position:				
Net investment in capital assets	224,660,875	111,507,328	66,363,384	17,811,799
Unrestricted	55,427,850	73,984,928	49,670,036	11,455,274
Total net position	$ 280,088,725	$ 185,492,256	$ 116,033,420	$ 29,267,073

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
2,798,873	167,089
5,959,036	-
1,711,124	-
1,739,309	164,812
4,141,027	17,443
627,431	1,724,647
376,432	-
2,402,239	187,352
1,086,841	200,000
2,260,000	-
1,445,000	-
800,295	-
50,000	-
-	3,910,961
121,545	
134,098	-
25,653,250	6,372,304
1,283,527	100,104
34,265,000	-
29,331,093	-
6,862,691	-
250,000	-
526,651	-
-	3,607,897
72,518,962	3,708,001
98,172,212	10,080,305
420,343,386	881,878
190,538,088	17,374,364
610,881,474	$ 18,256,242
555,427	
$ 611,436,901	

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	**Water**	**Sewer**	**Nonmajor Enterprise Funds**
Operating revenues:				
Charges for services	$ 26,454,375	$ 47,702,941	$ 32,034,019	$ 10,205,077
Other operating revenues	5,810,298	5,596,946	251,626	37,154
Total operating revenues	32,264,673	53,299,887	32,285,645	10,242,231
Operating expenses:				
Personal services	9,116,369	14,489,441	7,107,145	2,885,629
Fringe benefits	3,598,647	5,913,600	2,852,346	1,202,463
Contract services	8,278,942	6,070,667	6,847,656	2,089,855
Materials and supplies	1,734,180	4,358,464	2,015,748	458,086
Cost of sales	-	-	-	-
Utilities	2,106,141	5,823,990	2,786,808	193,467
Claims expense	-	-	-	-
Depreciation	12,004,886	6,017,476	5,760,652	817,610
Other	2,078,550	2,823,444	1,130,760	698,279
Total operating expenses	38,917,715	45,497,082	28,501,115	8,345,389
Operating income (loss)	(6,653,042)	7,802,805	3,784,530	1,896,842
Nonoperating revenues (expenses):				
Operating grants	-	-	-	-
Interest and fiscal charges	(2,010,646)	(557,445)	(871,552)	(54,921)
Loss on sale of capital assets	-	(59,468)	-	(4,500)
Bond issuance costs	(467,215)	-	-	-
Interest income	132,657	133,940	124,417	31,663
Other financing sources	348,974	-	-	-
Increase in fair market value of investments	16,195	26,495	17,816	2,409
Total nonoperating revenues (expenses)	(1,980,035)	(456,478)	(729,319)	(25,349)
Income (loss) before contributions and transfers	(8,633,077)	7,346,327	3,055,211	1,871,493
Transfer in	300,000	-	-	60,000
Transfer out	-	-	-	-
Capital contributions	7,696,841	171,025	-	71,485
Change in net position	(636,236)	7,517,352	3,055,211	2,002,978
Net position at beginning of year	280,724,961	177,974,904	112,978,209	27,264,095
Net position at end of year	$ 280,088,725	$ 185,492,256	$ 116,033,420	$ 29,267,073

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
$	116,396,412	$	31,885,295
	11,696,024		575,525
	128,092,436		32,460,820
	33,598,584		3,113,937
	13,567,056		1,245,816
	23,287,120		1,177,357
	8,566,478		2,487,488
	-		3,384,479
	10,910,406		24,262
	-		18,610,783
	24,600,624		79,835
	6,731,033		103,335
	121,261,301		30,227,292
	6,831,135		2,233,528
	-		40,000
	(3,494,564)		-
	(63,968)		-
	(467,215)		-
	422,677		41,437
	348,974		-
	62,915		4,970
	(3,191,181)		86,407
	3,639,954		2,319,935
	360,000		-
	-		(117,909)
	7,939,351		-
	11,939,305		2,202,026
			16,054,216
		$	18,256,242
	(321,537)		
$	11,617,768		

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	**Water**	**Sewer**	**Nonmajor Enterprise Funds**
Cash flows from operating activities:				
Cash received from customers	$ 25,943,317	$ 48,528,679	$ 32,470,353	$ 10,273,444
Cash received from interfund services provided	-	-	-	-
Cash received from other operations	5,432,863	5,499,213	251,626	37,154
Cash payments for personal services	(9,081,220)	(14,438,097)	(7,135,477)	(2,885,840)
Cash payments for fringe benefits	(3,591,222)	(5,902,297)	(2,855,319)	(1,204,176)
Cash payments for contractual services	(8,375,273)	(6,741,666)	(6,760,614)	(2,050,421)
Cash payments for materials and supplies	(1,753,226)	(4,518,982)	(2,098,306)	(473,856)
Cash payments for cost of goods sold	-	-	-	-
Cash payments for utilities	(2,023,919)	(5,818,396)	(3,024,694)	(198,514)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(2,038,452)	(2,812,170)	(1,119,705)	(711,054)
Net cash provided by operating activities	4,512,868	13,796,284	9,727,864	2,786,737
Cash flows from noncapital financing activities:				
Cash received from advance from component unit	-	311,397	-	-
Cash payments for advance to component unit	-	(687,773)	-	-
Cash received from grants	-	-	-	-
Cash received from transfers in	300,000	-	-	60,000
Cash used in transfers out	-	-	-	-
Cash received from interfund loans	-	-	-	-
Interest paid on interfund loans	-	-	-	(50,599)
Cash used in repayment of interfund loans	-	-	-	(37,592)
Net cash provided by (used in) noncapital financing activities	300,000	(376,376)	-	(28,191)
Cash flows from capital and related financing activities:				
Capital contributions	8,728,505	171,025	-	71,485
Acquisition of capital assets	(8,074,845)	(14,239,602)	(7,624,154)	(548,968)
Principal paid on loans	-	-	(820,397)	-
Interest paid on loans	-	-	(317,188)	-
Principal paid on bonds	(1,165,000)	(890,000)	(900,000)	(188,600)
Interest paid on bonds	(2,069,645)	(560,412)	(571,400)	(4,715)
Bond issuance costs	(467,215)	-	-	-
Payment to refunded bond escrow agent	(29,055,505)	-	-	-
Premium on bonds	1,572,451	-	-	-
Bond proceeds	26,950,000	-	-	-
Net cash used in capital and related financing activities	(3,581,254)	(15,518,989)	(10,233,139)	(670,798)
Cash flows from investing activities:				
Interest received	128,394	150,922	126,016	27,637
Net cash provided by investing activities	128,394	150,922	126,016	27,637
Net increase (decrease) in cash and investments	1,360,008	(1,948,159)	(379,259)	2,115,385
Cash and investments at beginning of year	53,137,663	65,723,197	50,277,016	9,498,027
Cash and investments at end of year	$ 54,497,671	$ 63,775,038	$ 49,897,757	$ 11,613,412

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
$ 117,215,793	$ -
-	32,077,447
11,220,856	575,525
(33,540,634)	(3,111,713)
(13,553,014)	(1,243,280)
(23,927,974)	(1,209,940)
(8,844,370)	(2,523,056)
-	(3,454,970)
(11,065,523)	(23,597)
-	(18,566,455)
(6,681,381)	(315,409)
30,823,753	2,204,552
311,397	-
(687,773)	-
-	40,000
360,000	-
-	(117,909)
-	68,345
(50,599)	-
(37,592)	(100,000)
(104,567)	(109,564)
8,971,015	-
(30,487,569)	(36,150)
(820,397)	-
(317,188)	-
(3,143,600)	-
(3,206,172)	-
(467,215)	-
(29,055,505)	-
1,572,451	-
26,950,000	-
(30,004,180)	(36,150)
432,969	39,959
432,969	39,959
1,147,975	2,098,797
178,635,903	24,030,314
$ 179,783,878	$ 26,129,111

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CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	**Water**	**Sewer**	**Nonmajor Enterprise Funds**
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (6,653,042)	$ 7,802,805	$ 3,784,530	$ 1,896,842
Adjustments:				
Depreciation	12,004,886	6,017,476	5,760,652	817,610
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(1,571,479)	905,360	385,599	113,592
Decrease (increase) in due from other funds	4,098	(275,025)	-	-
Decrease (increase) in due from other governments	678,888	(29,443)	-	-
Decrease (increase) in prepayments	35,913	90,542	30,050	(3,107)
Decrease (increase) in special assessments receivable	-	114,774	50,735	(45,225)
Increase in materials and supplies inventory	(4,244)	(110,058)	-	-
Increase in inventory held for resale	-	-	-	-
Increase (decrease) in accounts payable	92,202	200,175	(421,159)	(56,470)
Increase (decrease) in contracts payable	642,780	(1,055,540)	(351,553)	2,671
Increase (decrease) in retainage payable	(795,676)	105,669	356,024	(17,272)
Increase (decrease) in accrued wages and benefits	11,883	22,253	(15,724)	(6,668)
Increase (decrease) in due to other funds	(451)	(60,665)	164,290	86,955
Increase (decrease) in due to other governments	36,419	15,430	1	(6,935)
Increase (decrease) in compensated absences payable	30,691	40,394	(15,581)	4,744
Increase in utility deposits	-	12,137	-	-
Decrease in claims payable	-	-	-	-
Net cash provided by operating activities	$ 4,512,868	$ 13,796,284	$ 9,727,864	$ 2,786,737

Non-cash transactions:

During 2014, the Dayton International Airport received $2,249,160 in capital grants, which was recognized as a receivable in 2013. Receivables in the amount of $1,217,496, 120,381 and 22,062 have been recorded for capital grants in 2014 for the Dayton International Airport, Water and Storm Water enterprise funds, respectively.

At December 31, 2014, the Water, Sewer, Dayton International Airport and Storm Water enterprise funds purchased $1,905,097, $1,456,461, $4,222,344 and $6,334, respectively, in capital assets on account. At December 31, 2013, the Water, Sewer, Dayton International Airport and Storm Water enterprise funds purchased $1,317,913, $441,080, $2,161,531 and $23,922, respectively, in capital assets on account.

During 2014, the Water, Sewer, Dayton International Airport and Storm Water enterprise funds entered into a capital lease for the radio equipment in the amounts of $289,179, $158,281, $171,913 and $28,823, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
$ 6,831,135	$ 2,233,528
24,600,624	79,835
(166,928)	4,004
(270,927)	181,917
649,445	(6,732)
153,398	(220,670)
120,284	-
(114,302)	-
-	(70,491)
(185,252)	(51,283)
(761,642)	-
(351,255)	-
11,744	9,594
190,129	5,356
44,915	205,126
60,248	(4,834)
12,137	-
-	(160,798)
$ 30,823,753	$ 2,204,552

CITY OF DAYTON
MONTGOMERY COUNTY, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014

		Agency
Assets:		
Equity in pooled cash and cash equivalents	$	3,175,813
Investments with fiscal agent		652,761
Cash and cash equivalents with fiscal agent		1,403,016
Receivables:		
Accounts		174,382
Special assessments		1,294,660
Intergovernmental		90,671
Total assets	$	6,791,303
Liabilities:		
Accounts payable	$	1,612
Intergovernmental payable		2,332,612
Due to others		2,578,097
Withholdings and deposits		1,878,982
Total liabilities	$	6,791,303

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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 accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial 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.

Based on the foregoing criteria, the financial activities of the following potential component units have been reflected in the accompanying BFS as follows:

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

DISCRETELY PRESENTED COMPONENT UNIT

The City has included one discretely presented component unit, the City-Wide Development Corporation (CWDC), as part of this report. CWDC was established in 1972 as a private, non-profit development organization which supports the City in a number of ways - primarily as its development financing arm. CWDC's relationship with the City is established via its stated mission: fostering economic development through creating and retaining jobs for City residents, providing administrative support to assist in neighborhood development, increasing tax revenues, and improving the Dayton area economy. Because the City appoints all members of CWDC's Board of Trustees and is empowered to remove them at will, CWDC is a component unit of the City. CWDC issues separately audited financial statements with a December 31 year end. Its most recently audited financial statements may be obtained from Citywide Development Corporation, 8 North Main Street, Dayton, Ohio 45402-1916. Further disclosures for the discretely presented component unit can be found in Note 22.

JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission - The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Dayton, City of Riverside, City of New Carlisle and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the general fund. The City contributed $65,102 for the operation of the Commission during 2014. Financial information can be obtained from Brian Martin, Executive Director, at 1 South Main Street, Suite 260, Dayton, Ohio 45402.

Miami Valley Fire/EMS Alliance - The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the general fund. The City contributed $33,966 for the operation of the Alliance during 2014. Financial information can be obtained from Jackie Leland, Director, at 444 W. Third Street, Suite 20-231, Dayton, Ohio 45402.

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

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 Districts 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 property 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 $68,084 in revenues through the JEDD in 2014.

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). The City entered into a separate contract with Butler Township in July, 2006. In accordance with State Law, the Districts 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 property 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 $10,752 in revenues through the JEDD in 2014.

Economic Development/Government Equity Program - The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, township, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. 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 2014. Financial information can be obtained from Matt Dunn, ED/GE Coordinator, Montgomery County, 451 W. Third Street, 10th Floor, Dayton, OH 45422, 937-224-3850, e-mail: dunnm@mcohio.org.

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 2014. 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 2014, the City contributed $20,314 to HAZMAT. Financial information can be obtained from Danny Bristow, Executive Director at 444 West Third Street, Suite 20-231, Dayton, Ohio 45402.

Miami Valley Emergency Management Agency - The Miami Valley Emergency Management Agency (the Agency) is a jointly governed organization between various political subdivisions in the Miami Valley Region. The Agency 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 Agency is through contributions from each participating entity. Payments to the Agency are made from the general fund. The City contributed $28,305 for the operation of the Agency during 2014. Financial information can be obtained from Jeff Jordan, Executive Director, 117 South Main Street, Suite 721, Dayton, Ohio 45422.

B. Basis of Presentation

The City's basic financial statements consist of government-wide 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.

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

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 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.

   Other special revenue fund - To account for monies committed by City ordinance to finance various special projects undertaken by the City.

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

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

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

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

2. ***Proprietary Funds*** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

   a. ***Enterprise Funds*** - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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

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

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

   Other enterprise funds of the City are used to account for the provision of storm sewers to the residents of the City and to account for the operations of the City's six golf courses. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the BFS.

   b. ***Internal Service Funds*** - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds include programs for fleet maintenance, fire fleet maintenance, plumbing services, workers' compensation, health insurance and stores and reproduction services.

3. ***Fiduciary Funds*** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds which are used to account for items such as building permit surcharge, prisoner's personal accounts, performance bonds, and as 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.

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 current liabilities and deferred inflows 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, storm water and golf enterprise funds and charges for services to other departments for goods and services provided by the internal service funds for fleet management, fire fleet management, stores and reproduction services, health insurance, a Workers' Compensation program and plumbing shop services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

Agency funds do not report a measurement focus as they do not report operations.

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 agency 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.

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

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

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

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2014, are recorded as deferred inflows on the governmental fund financial statements.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources includes deferred charges on refundings. 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 life of the refunded 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.

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

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, except agency funds, are legally required to be budgeted. 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 Council at the time capital monies/grants are received (bond proceeds, etc.), remain intact until they are expended or modified by Council. Such monies are appropriated on a project level with specific identification of each project being budgeted.

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 2014.

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

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

Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to 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 governmental funds.

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

G. Cash and Cash Equivalents

Cash balances of the City's funds, except cash and cash equivalents and investments held by fiscal 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 2014, investments were limited to federal agency securities, U.S. Treasury notes, City owned debt, U.S. Government money market mutual funds 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, 2014. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2014.

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 and cash equivalents with fiscal agents" and "investments with fiscal agents ".

Interest income is distributed to the funds according to City Ordinance and statutory requirements. Interest revenue earned during 2014 was $1,584,111 in the general fund, which includes $1,261,196 assigned from other City funds.

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

H. Inventory of Supplies

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

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 cash equivalents" and "cash with fiscal and escrow agents". The "equity in pooled cash and cash equivalents" represent utility deposits held by the City. The "cash with fiscal and escrow agents" are the proceeds from bond and loan issues that are required by the bond 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 fair market values as of the date received. The City maintains a capitalization threshold of $5,000. The City's infrastructure consists of bridges, curbs, lighting, sidewalks, and roads. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is capitalized in the proprietary funds.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Improvements other than buildings	10 - 25 years	10 - 25 years
Buildings and improvements	30 - 50 years	30 - 50 years
Equipment	3 - 15 years	3 - 15 years
Vehicles	3 - 25 years	3 - 25 years
Software	5 - 10 years	5 - 10 years
Infrastructure	20 - 50 years	20 - 50 years

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

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". On fund financial statements, long-term interfund loans are classified as "advances to/from other funds" on the balance sheet. All other outstanding balances outstanding 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. Advances made from the City to its discretely presented component unit are reported on both the government-wide and fund financial statements as "advances to component unit".

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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.

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

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

O. Bond Premium and Discount/Accounting Gain or Loss

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

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

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

P. Interfund Activity

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

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 after 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:

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

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, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

R. Estimates

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

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.

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

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 or 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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2014, the City has implemented GASB Statement No. 69, "*Government Combinations and Disposals of Government Operations*" and GASB Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the City.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the City.

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 not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, Government National Mortgage Association, and Student Loan Marketing 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 market 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;

5. 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; and,

6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds and other obligations guaranteed by the United States;

2. Discount notes of the Federal National Mortgage Association;

3. Bonds of the State of Ohio; and,

4. Bonds of any municipal corporation, village, county, township, or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or 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 $23,175 in undeposited cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and cash equivalents".

B. Cash with Fiscal Agent

At year-end, the City had $5,922,127 in cash with fiscal agent held by a financial institution for unspent proceeds from the State Infrastructure Bank Loans and Bonds.

C. Deposits with Financial Institutions

At December 31, 2014, the carrying amount of all City deposits was $11,352,687. As of December 31, 2014, $14,548,521 of the City's bank balance of $15,299,196 was exposed to custodial risk as discussed below, while $750,675 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. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2014, the City had the following investments and maturities:

		Investment Maturities				
Investment type	Fair Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FFCB	$ 51,635,424	$ 5,002,050	$ 13,009,600	$ 4,999,550	$ 7,975,720	$ 20,648,504
FHLB	39,371,723	-	-	7,501,540	13,218,727	18,651,456
FHLMC	84,398,566	-	350,655	6,942,645	16,614,289	60,490,977
FNMA	53,141,257	5,005,600	2,250,518	1,995,080	5,629,864	38,260,195
UST	5,233,593	-	-	1,995,780	-	3,237,813
City Owned Debt	1,600,000	-	-	-	-	1,600,000
Executive Severance Money Market	652,761	652,761	-	-	-	-
U.S. Government Money Market	2,939,210	2,939,210	-	-	-	-
STAR Ohio	45,047,109	45,047,109	-	-	-	-
Total	$ 284,019,643	$ 58,646,730	$ 15,610,773	$ 23,434,595	$ 43,438,600	$ 142,888,945

The weighted average maturity of investments is 1.8 years.

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 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 (JPMorgan US Government money market and JP Morgan Prime money market) were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2014:

Investment type	Fair Value	% of Total
FFCB	$ 51,635,424	18.18
FHLB	39,371,723	13.86
FHLMC	84,398,566	29.72
FNMA	53,141,257	18.72
UST	5,233,593	1.84
City Owned Debt	1,600,000	0.56
Executive Severance Money Market	652,761	0.23
U.S. Government Money Market	2,939,210	1.03
STAR Ohio	45,047,109	15.86
Total	$ 284,019,643	100.00

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, 2014:

Cash and investments per note	
Carrying amount of deposits	$ 11,352,687
Investments	284,019,643
Cash on hand	23,175
Cash with fiscal agent	5,922,127
Total	$ 301,317,632

Cash and investments per statement of net position	
Governmental activities	$ 116,302,164
Business type activities	179,783,878
Agency funds	5,231,590
Total	$ 301,317,632

NOTE 5 - INTERFUND TRANSACTIONS

A. Due from/to other funds consisted of the following at December 31, 2014, as reported on the fund statements:

	Due from			
Due to	General	Water	Internal Service	Due from Total
General	$ -	$ -	$ 26,770	$ 26,770
Capital Improvement	73	-	397	470
Other Special Revenue	499	-	-	499
Nonmajor Governmental	6,557	445	1,275	8,277
Dayton International Airport	25	-	1,470	1,495
Water	3,957	-	3,643	7,600
Sewer	813	3,445,017	1,174	3,447,004
Nonmajor Enterprise	1	684,753	174	684,928
Internal Service	16,318	-	1,125	17,443
Due to total	$ 28,243	$ 4,130,215	$ 36,028	$ 4,194,486

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. Due to component unit and due from primary government consisted of the following at December 31, 2014, as reported on the fund statements:

Due from/Due to	General	Capital improvements	Nonmajor governmental	Water	Total
Component unit	$ 3,474,667	$ 2,395,184	$ 6,225,049	$ 1,497,786	$ 13,592,686

The City does not anticipate repayment of the advances to component unit within the next year.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

C. Interfund transfers for the year ended December 31, 2014, consisted of the following, as reported on the fund statements:

	Transfer to				
Transfer from	Debt Service	Other Special Revenue	Capital Improvements	Dayton International Airport	Golf
General	$ 842,500	$ 55,292	$ 3,537,962	$ 300,000	$ 60,000
Internal Service	117,909	-	-	-	-
Total	$ 960,409	$ 55,292	$ 3,537,962	$ 300,000	$ 60,000

	Nonmajor Governmental	Total
General	$ 1,522,379	$ 6,318,132
Internal Service	-	117,909
Total	$ 1,522,379	$ 6,436,041

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The City transferred $117,909 from the fire fleet internal service fund to the debt service fund for related debt payments.

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

D. Advances to/from other funds for the year ended December 31, 2014, consisted of the following, as reported on the fund statements:

Receivable fund	Payable fund	Amount
Debt Service	Nonmajor Enterprise	$ 1,086,841
General	Internal Service	200,000
Internal Service	General	217,584
Total		$ 1,504,425

Advances from the debt service fund to the golf fund (a nonmajor enterprise fund) are for debt service payments relating to the Series 2001 Golf Renovation General Obligation Bonds. The golf fund did not have the revenue to support complete repayment of the bonds. An agreement was made which allowed the debt service fund to pay a portion of the golf fund debt each year and the golf fund agreed to make payments of $281,505 each year for twenty years, eight years longer than the original issue date. Repayment on the loan began in 2013 with the complete loan being retired in 2019.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Advances from the worker's compensation internal service fund to the general fund are for manuscript debt issued during 2011. A portion of this loan will be repaid annually, with the complete loan being retired in 2017.

The City also has $3,861,600 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.

The City also has $171,201 in manuscript bonds outstanding in the debt service fund related to special assessments. This loan was made between sub-funds of the debt service fund. Intrafund loans are not presented on the basic financial statements.

Advances between governmental funds and business-type activities are reported as an internal balance on the statement of net position.

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. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Dayton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2014 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 2014 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.

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2014 was $10 per $1,000 of assessed value. The assessed values of real and public utility property for tax year 2014 are as follows:

Real property	
Residential/agricultural	$ 911,387,470
Commercial/industrial	411,867,400
Public utility	
Real	1,657,560
Personal	95,857,230
Total assessed value	$ 1,420,769,660

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. In addition, on March 14, 2006, the City renewed their additional .50% levy through December 31, 2014. 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 2014, as reported in the governmental fund financial statements on the modified accrual basis of accounting, was $103,916,809.

NOTE 8 - TAX INCREMENT FINANCING DISTRICT (TIF)

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

PILOT revenue was $1,590,825 in 2014 as reported in the fund financial statements. The TIF has a longevity of the shorter period of 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 - RECEIVABLES

Receivables at December 31, 2014, consisted of taxes, accounts (billings for user charged services), special assessments, 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, 2014, as well as intended to finance 2014 operations.

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

Governmental activities:	
Property and other local taxes	$ 21,031,744
Muncipal income taxes	15,564,851
Accounts	6,920,927
Payments in lieu of taxes	2,208,978
Special assessments	17,313,771
Accrued interest	180,401
Loans	29,081,524
Due from other governments	18,203,199
Business-type activities:	
Accounts	15,064,505
Special assessments	1,922,993
Accrued interest	253,776
Due from other governments	1,348,317

Receivables have been disaggregated on the face of the basic financial statements. Amounts reported as "due from other governments" in the governmental activities include local government and local government revenue assistance from the State of Ohio, motor vehicle license and gasoline taxes, homestead and rollback, grants and estate taxes. The amounts reported as "due from other governments" in the business-type activities include various State and federal grants whose eligibility requirements have been met by year end. The only receivables not expected to be collected within the subsequent year are the special assessments and the loans. The special assessments are collected over the term of the assessment and the loans receivable which will be collected annually through 2040 (See Note 10).

NOTE 10 - 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 semiannually 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, 2014, the amount owed to the City was $21,825,051. 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 $16,370,000 for this loan and considers $5,455,051 uncollectible. However, the Port Authority remains liable for the entire balance of the loan, including the portion in default.

NOTE 10 - LOANS RECEIVABLE - (Continued)

B. City-Wide Community Urban Redevelopment Corporation

On January 6, 2010, the City loaned the City-Wide Community Urban Redevelopment Corporation $6,335,904 to assist in the construction of a new recreation complex. At the end of seven years, the loan may be forgiven in exchange for the City gaining ownership of the recreation complex. This loan has an interest rate of 3.95% per year with principal payments beginning January 1, 2021. The final loan payment is due December 1, 2039. At December 31, 2014, the amount owed to the City was $6,335,904.

C. Dayton TechTown Investment Fund, LLC.

On June 28, 2010, the City loaned $7,375,620 to Dayton TechTown Investment Fund, LLC. for the continued development of a technology park. The loan has a 2.0% interest rate with required principal payments beginning June 27, 2017. The final loan payment is due June 27, 2040. At December 31, 2014, the amount owed to the City was $6,375,620.

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NOTE 11 - CAPITAL ASSETS

A. Capital asset activity for the governmental activities for the year ended December 31, 2014 was as follows:

	Balance 12/31/13	Additions	Deductions	Balance 12/31/14
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 69,689,132	$ 150,728	$ -	$ 69,839,860
Construction in progress	12,307,497	12,017,445	(10,668,069)	13,656,873
Right-of-ways	14,007,402	-	-	14,007,402
Total capital assets, not being depreciated	96,004,031	12,168,173	(10,668,069)	97,504,135
Capital assets, being depreciated:				
Building improvements	146,713,472	1,348,917	-	148,062,389
Improvements other than buildings	57,367,249	-	-	57,367,249
Equipment	27,393,214	4,254,553	-	31,647,767
Software	813,245	-	-	813,245
Motor vehicles	47,718,204	2,573,443	(24,839)	50,266,808
Infrastructure	302,770,384	9,853,900	-	312,624,284
Total capital assets, being depreciated	582,775,768	18,030,813	(24,839)	600,781,742
Less: accumulated depreciation				
Building improvements	(78,239,617)	(2,684,366)	-	(80,923,983)
Improvements other than buildings	(41,467,525)	(1,007,207)	-	(42,474,732)
Equipment	(22,076,664)	(1,323,950)	-	(23,400,614)
Software	(336,202)	(162,648)	-	(498,850)
Motor vehicles	(34,219,754)	(2,176,560)	24,839	(36,371,475)
Infrastructure	(80,310,276)	(6,688,587)	-	(86,998,863)
Total accumulated depreciation	(256,650,038)	(14,043,318)	24,839	(270,668,517)
Total capital assets being depreciated, net	326,125,730	3,987,495	-	330,113,225
Governmental activities capital assets, net	$ 422,129,761	$ 16,155,668	$ (10,668,069)	$ 427,617,360

NOTE 11 - CAPITAL ASSETS - (Continued)

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

Governmental activities:	
Downtown	$ 478,129
Youth, education and human services	3,064
Community development and neighborhoods	523,072
Economic development	643,001
Leadership and quality of life	9,110,329
Corporate responsibility	665,241
Public safety and justice	2,620,482
Total depreciation expense - governmental activities	$ 14,043,318

B. Capital asset activity for the business-type activities for the year ended December 31, 2014, was as follows:

	Balance 12/31/13	Additions	Deductions	Balance 12/31/14
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 42,965,353	$ -	$ -	$ 42,965,353
Construction in progress	42,888,244	28,686,547	(41,076,534)	30,498,257
Total capital assets, not being depreciated	85,853,597	28,686,547	(41,076,534)	73,463,610
Capital assets, being depreciated:				
Buildings and improvements	222,664,094	1,400,840	(26,684)	224,038,250
Improvements other than buildings	659,883,082	41,051,469	(53,368)	700,881,183
Equipment	20,643,589	1,827,142	-	22,470,731
Software	898,115	649,186	(7,500)	1,539,801
Vehicles	40,673,737	2,322,957	(281,928)	42,714,766
Total capital assets, being depreciated	944,762,617	47,251,594	(369,480)	991,644,731
Less: accumulated depreciation				
Buildings and improvements	(90,713,795)	(4,794,412)	-	(95,508,207)
Improvements other than buildings	(405,524,946)	(16,402,572)	-	(421,927,518)
Equipment	(14,616,888)	(1,473,876)	-	(16,090,764)
Software	(153,685)	(183,151)	3,000	(333,836)
Vehicles	(26,989,653)	(1,746,613)	222,460	(28,513,806)
Total accumulated depreciation	(537,998,967)	(24,600,624)	225,460	(562,374,131)
Total capital assets being depreciated, net	406,763,650	22,650,970	(144,020)	429,270,600
Business-type activities capital assets, net	$ 492,617,247	$ 51,337,517	$ (41,220,554)	$ 502,734,210

NOTE 11 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type Activities:	
Dayton International Airport	$ 12,004,886
Water	6,017,476
Sewer	5,760,652
Storm water	545,967
Golf	271,643
Total depreciation expense - business-type activities	$ 24,600,624

C. Outstanding contractual commitments related to construction in progress for the year ended December 31, 2014, was as follows:

Governmental activities	$ 10,321,675
Water	8,453,643
Sewer	6,023,206
Dayton International Airport	8,954,901
Total outstanding contractual commitments	$ 33,753,425

NOTE 12 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE

In the current year, the City entered into a lease purchase agreement to assist in the purchase of new radio equipment.

General capital assets acquired by the agreement have been capitalized in the amount equal to the present value of the future minimum lease payments as of the date of their inception. For the City, a corresponding liability was recorded in the government-wide financial statements. The City did not make any principal payments in 2014.

Capital assets consisting of equipment have been capitalized in the amount of $2,643,516. This amount represents the present value of the minimum lease payments at the time of acquisition. The radios are being used by both enterprise and governmental activities and are capitalized in the amount of $1,995,320 in the governmental activities, $289,179 in the water fund, $158,281 in the sewer fund, $171,913 in the Dayton International Airport Fund and $28,823 in the storm water fund.

NOTE 12 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future minimum lease payments required under the lease purchase agreement and the present value of the minimum lease payments as of December 31, 2014:

Year Ending December 31,	Governmental Activities	Water Fund	Storm Water Fund	Sewer Fund	Dayton International Airport
2015	$ 377,429	$ 54,695	$ 5,452	$ 29,938	$ 32,516
2016	1,652,860	239,547	23,876	131,115	142,407
Total minimum lease payments	2,030,289	294,242	29,328	161,053	174,923
Less: amount representing interest	(34,969)	(5,063)	(505)	(2,772)	(3,010)
Present value of future minimum lease payments	$ 1,995,320	$ 289,179	$ 28,823	$ 158,281	$ 171,913

NOTE 13 - OPERATING LEASE - LESSEE AND LESSOR DISCLOSURE

A. The City is the lessor of land and space at the Dayton International Airport (the "Airport") under noncancellable leases. The leases are between the Dayton International Airport and various vendors that use the Airport for their operations. The cost of the leased area, the carrying value and the annual depreciation expense cannot be accurately determined as they represent varying percentages of the overall land and building assets of the Airport. The leases have varying terms from three to sixty-five years. The future minimum lease payments as of December 31, 2014, are as follows:

Year Ending December 31,	Minimum Lease Payments
2015	$ 2,060,550
2016	2,110,025
2017	2,101,773
2018	2,074,839
2019	1,764,603
2020 - 2024	5,590,601
2025 - 2029	2,841,725
2030 - 2034	2,140,391
2035 - 2039	1,137,748
2040 - 2044	756,100
2045 - 2049	835,500
2050 - 2054	716,001
Totals	$ 24,129,856

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

B. The City is the lessee of Recplex facility. The lease is between City-Wide Community Urban Redevelopment Corporation and the City of Dayton (See Note 10). The City is responsible for the operation and maintenance of the facility. This lease agreement expires on December 31, 2039 or upon written agreement by the City-Wide Community Urban Redevelopment Corporation and the City. The future minimum lease payments as of December 31, 2014 are as follows:

Year Ending December 31,	Minimum Lease Payments
2015	$ 354,738
2016	365,380
2017	405,000
2018	417,150
2019	429,665
2020 - 2024	2,349,581
2025 - 2029	2,723,809
2030 - 2034	3,157,641
2035 - 2039	3,660,571
Totals	$ 13,863,535

NOTE 14 - LONG-TERM OBLIGATIONS

A. The City's governmental activities long-term obligations at year-end and a schedule of current year activity are as follows:

Governmental activities:	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 12/31/13	Increase	Decrease	Balance 12/31/14	Amounts Due in One Year
General obligation bonds:									
Capital facilities	10/25/07	12/01/27	4.0 - 5.0	19,745,000	8,605,000	-	(1,180,000)	7,425,000	1,015,000
Various purpose and refunding	07/28/09	12/01/29	2.5 - 5.0	26,483,111	16,531,400	-	(2,881,400)	13,650,000	1,465,000
Capital improvement	09/22/10	12/01/15	1.5 - 2.0	2,680,000	1,100,000	-	(545,000)	555,000	555,000
Energy conservation bonds	06/11/11	12/01/25	4.98	1,615,000	1,405,000	-	(110,000)	1,295,000	110,000
Various purpose bonds	10/11/12	12/01/32	3.0 - 4.0	11,385,000	10,900,000	-	(905,000)	9,995,000	945,000
Various purpose bonds	9/9/14	12/01/34	1.25 - 4.0	5,700,000	-	5,700,000	-	5,700,000	285,000
Total general obligation bonds					38,541,400	5,700,000	(5,621,400)	38,620,000	4,375,000
Revenue bonds:									
Baseball revenue refunding bonds	12/30/09	12/01/19	2.25 - 3.5	7,925,000	4,975,000	-	(770,000)	4,205,000	795,000
Economic development	09/22/10	12/1/31	2.0 - 4.125	2,500,000	2,240,000	-	(95,000)	2,145,000	100,000
Economic development refunding bonds	11/14/12	12/01/28	3.0 - 5.0	24,170,000	23,090,000	-	(1,155,000)	21,935,000	1,190,000
Total revenue bonds					30,305,000	-	(2,020,000)	28,285,000	2,085,000
Special assessment bonds									
Sidewalk construction	12/01/04	12/01/14	6.0	232,415	23,200	-	(23,200)	-	-
Total special assessment bonds					23,200	-	(23,200)	-	-

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Governmental activities:	Issue Date	Maturity Date	Original Issue Amount	Balance 12/31/13	Increase	Decrease	Balance 12/31/14	Amounts Due in One Year
Other long-term obligations:								
Ohio Public Works Commission loan	07/01/02	07/01/17	$ 239,750	$ 104,536	$ -	$ (24,978)	$ 79,558	$ 25,734
Ohio Public Works Commission loan	4/5/2013	7/1/2029	556,971	556,971	-	(18,565)	538,406	37,131
Ohio Department of Development loan	04/01/10	04/21/25	2,860,000	2,860,000	-	-	2,860,000	165,171
State Infrastructure Bank loan	12/4/2014	11/15/2036		-	2,500,000	-	2,500,000	-
State Infrastructure Bank bonds	12/4/2014	11/15/2036		-	3,540,000	-	3,540,000	-
Lease purchase agreement				-	1,995,320	-	1,995,320	-
Judgments				39,856	83,683	(116,376)	7,163	7,163
Claims				7,679,656	18,449,985	(18,610,783)	7,518,858	3,910,961
Pollution remediation obligation				15,738	-	(15,738)	-	-
Compensated absences				9,553,584	5,619,341	(6,081,347)	9,091,578	5,946,558
Total other long-term obligations				20,810,341	32,188,329	(24,867,787)	28,130,883	10,092,718
Total governmental activities				$ 89,679,941	$ 37,888,329	$ (32,532,387)	95,035,883	$ 16,552,718
Add: unamortized bond premiums and discounts							5,290,503	
Total on statement of net position							$ 100,326,386	

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

On October 25, 2007, the City issued $19,745,000 in general obligation bonds to advance refund $10,035,000 of outstanding general obligation bonds. The remaining issuance of $9,540,000 was used for capital improvements. The $10,035,000 issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds, par value $19,745,000. The interest rates on the current interest bonds range from 4.0% to 5.0%. 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, 2027.

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

On July 28, 2009, the City issued general obligation bonds (Series 2009 various purpose and refunding bonds) in the amount of $27,255,000 for the following purposes: $771,889 to advance refund the callable portion of the Series 2001 golf renovation general obligation bonds, $5,023,111 to advance refund the callable portion of the Series 2001 capital facilities general obligation bonds, $8,730,000 to advance refund the callable portion of the Series 1998 capital facilities general obligation bonds and $12,730,000 for capital improvements. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The refunded Series 2001 golf renovation general obligation bonds and the refunded Series 2001 capital facilities general obligation bonds both matured during 2014, and no longer have amounts outstanding. The balance of the refunded Series 1998 capital facilities general obligation bonds at December 31, 2014, is $7,425,000.

The refunding issue for governmental activities is comprised of current interest bonds, par value $26,483,111. The interest rates on the current interest bonds range from 2.50% - 5.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2029.

The reacquisition price exceeded the net carrying amount of the old debt by $639,021. 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 October 11, 2012, the City issued $42,285,000 in various purpose bonds (Series 2012 various purpose bonds). Of this issue, $15,300,000 is reported as a liability in the water fund, $15,600,000 is reported as a liability of the sewer fund and the remaining $11,385,000 is a liability of the governmental activities. $2,460,000 was used to advance refund the callable portion of the Series 2004 capital facilities 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 $519,666. 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 nontax revenues in the City's general fund to repay $12,190,000 in Series 1999 economic development revenue bonds. The proceeds were used for the Dayton baseball stadium project. On December 30, 2009, the City issued revenue bonds (Series 2009 baseball revenue refunding bonds) to advance refund the callable portion of the Series 1999 baseball revenue 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 $180,965. 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 balance of the refunded Series 1999 baseball revenue bonds at December 31, 2014 is $4,205,000. The Series 1999 revenue bonds are payable solely from nontax revenues in the City's general fund and are payable through 2019. 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 2.57 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2009 baseball revenue refunding bonds is $4,622,235. Principal and interest paid for the current year on the Series 1999 baseball revenue bonds was $770,000 and $150,293. General fund nontax revenues for the current year were $35,806,139.

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future nontax revenues in the City's general fund to repay $32,000,000 in Series 2008 economic development revenue bonds. The proceeds were used for the construction of parking facilities and a loan to the Dayton-Montgomery County Port Authority related to the construction of the parking facility. On November 14, 2012, the City issued revenue bonds (Series 2012 economic development refunding bonds) to advance refund the Series 2008 economic development bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2008 economic development revenue bonds at December 31, 2014 is $21,935,000. The Series 2012 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 permit fees. Annual principal and interest payments on the revenues bonds are expected to require less than 5.67 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 2012 revenue bonds is $28,437,762. Principal and interest paid for the current year prior to the refunding was $1,155,000 and $874,100. General fund nontax revenues for the current year were $35,806,139.

The reacquisition price exceeded the net carrying amount of the old debt by $675,285. 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 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 permit fees. Annual principal and interest payments on the revenue bonds are expected to require less than .49 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2010 revenue bonds is $2,964,297. Principal and interest paid for the current year was $95,000 and $78,979. General fund nontax revenues for the current year were $35,806,139.

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, 2033.

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

The City has two Ohio Public Works Commission loans. The first loan was issued for the East Fifth Street rehabilitation project. The loan was issued at a 3.0% interest rate and a maturity date of July 1, 2017. The loan will be paid from the debt service fund. The second loan was issued for the Brown Street reconstruction project. The loan was issued at 0% interest rate with a maturity date of January 2029. The loan will be paid from the debt service fund.

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The Ohio Department of Development loan 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 1, 2025.

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

The judgments payable liability with 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 note 13 for detail on the lease purchase agreement.

The pollution remediation obligation is for a liability for removing underground storage tanks. As of December 31, 2014, the City has completed all of the remediation work required at this site.

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 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 1, 2036, with a 3.0% interest rate, beginning December 4, 2015. Principal and interest payments are due semi-annually. The loan has 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, 2014, the City's total debt margin was $95,568,020 and the unvoted debt margin was $24,529,537.

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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, 2014 for the governmental activities:

Year Ending	General Obligation Bonds			Revenue Bonds		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2015	$ 4,375,000	$ 1,536,373	$ 5,911,373	$ 2,085,000	$ 1,046,609	$ 3,131,609
2016	3,950,000	1,344,667	5,294,667	2,145,000	989,034	3,134,034
2017	3,915,000	1,195,514	5,110,514	2,210,000	913,184	3,123,184
2018	4,055,000	1,059,750	5,114,750	2,300,000	833,799	3,133,799
2019	3,360,000	913,324	4,273,324	2,395,000	735,866	3,130,866
2020 - 2024	9,435,000	2,983,799	12,418,799	8,590,000	2,444,056	11,034,056
2025 - 2029	7,085,000	1,284,092	8,369,092	8,235,000	756,534	8,991,534
2030 - 2031	2,445,000	213,486	2,658,486	325,000	20,212	345,212
Totals	$ 38,620,000	$ 10,531,005	$ 49,151,005	$ 28,285,000	$ 7,739,294	$ 36,024,294

Year Ending	Ohio Public Works Commission Loans			Ohio Department of Development Loan		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2015	$ 62,865	$ 2,195	$ 65,060	$ 165,171	$ 60,407	$ 225,578
2016	63,642	1,417	65,059	254,025	83,817	337,842
2017	64,444	616	65,060	261,750	75,447	337,197
2018	37,131	-	37,131	269,713	66,820	336,533
2019	37,132	-	37,132	277,917	57,934	335,851
2020 - 2024	185,656	-	185,656	1,521,645	146,626	1,668,271
2025 - 2029	167,094	-	167,094	109,779	744	110,523
Totals	$ 617,964	$ 4,228	$ 622,192	$ 2,860,000	$ 491,795	$ 3,351,795

Year Ending	State Infrastructure Bank Bonds			State Infrastructure Bank Loan		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2015	$ -	$ 101,406	$ 101,406	$ -	$ -	$ -
2016	75,000	107,056	182,056	-	-	-
2017	150,000	105,744	255,744	95,356	76,334	171,690
2018	150,000	103,494	253,494	98,238	73,452	171,690
2019	150,000	101,056	251,056	101,207	70,483	171,690
2020 - 2024	760,000	452,239	1,212,239	553,813	304,637	858,450
2025 - 2029	835,000	336,810	1,171,810	642,723	215,727	858,450
2030 2034	975,000	184,294	1,159,294	745,909	112,541	858,450
2035 - 2036	445,000	20,999	465,999	262,754	12,501	275,255
Totals	$ 3,540,000	$ 1,513,098	$ 5,053,098	$ 2,500,000	$ 865,675	$ 3,365,675

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Changes during 2014 in the City's long-term business-type obligations were as follows:

Business-type activities:	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 12/31/13	Increase	Decrease	Balance 12/31/14	Amounts Due in One Year
General obligation bonds:									
Water	10/11/12	12/1/2032	3.0 - 4.0	$15,300,000	$ 14,520,000	$ -	$ (890,000)	$ 13,630,000	$ 925,000
Sewer	10/11/12	12/1/2032	3.0 - 4.0	15,600,000	14,805,000	-	(900,000)	13,905,000	935,000
Dayton International Airport parking garage	07/28/09	12/1/2029	1.75 to 6.5	10,820,000	9,375,000	-	(385,000)	8,990,000	400,000
Golf renovations - refunding	07/28/09	12/1/2014	2.0 to 5.0	771,889	188,600	-	(188,600)	-	-
Total general obligation bonds					38,888,600	-	(2,363,600)	36,525,000	2,260,000
Revenue bonds:									
Dayton International Airport	10/31/03	12/01/32	2.00 to 5.00	6,085,000	4,790,000	-	(4,790,000)	-	-
Dayton International Airport	10/31/03	12/01/32	2.00 to 5.35	30,190,000	24,080,000	-	(24,080,000)	-	-
Dayton International Airport	10/12/05	12/01/20	3.00 to 4.35	6,000,000	3,220,000	-	(405,000)	2,815,000	425,000
Dayton international airport	9/9/14	12/01/32	2.30 to 5.00	26,950,000	-	26,950,000	(375,000)	26,575,000	1,020,000
Total revenue bonds					32,090,000	26,950,000	(29,650,000)	29,390,000	1,445,000
Other long-term obligations									
Ohio water development authority loan	01/01/03	07/01/23	3.80 to 3.95	15,079,710	8,433,383	-	(770,397)	7,662,986	800,295
Ohio public works Commission loan	07/01/97	01/01/20	0.00	1,000,000	350,000	-	(50,000)	300,000	50,000
Compensated absences payable					3,625,518	2,362,976	(2,302,728)	3,685,766	2,402,239
Lease purchase agreement					-	648,196	-	648,196	121,545
Total other long-term obligations					12,408,901	3,011,172	(3,123,125)	12,296,948	3,374,079
Total business-type activities					$ 83,387,501	$ 29,961,172	$ (35,136,725)	78,211,948	$ 7,079,079
Less: unamortized bond premiums and discounts								1,386,093	
Total on statement of net position								$ 79,598,041	

Enterprise fund general obligation bonds were used for golf renovations and construction of a parking facility at the Dayton International Airport. The bonds will be paid from the golf nonmajor enterprise fund and the Dayton International Airport, respectively.

On July 28, 2009, the City issued taxable general obligation bonds (Series 2009 Dayton International Airport parking garage bonds) for the acquisition, construction, furnishing and equipping of airport improvements, including parking facilities. The issue is comprised of current interest bonds, par value $10,820,000. The interest rates on the current interest bonds range from 1.75 - 6.50%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2029.

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The refunding of the Series 2001 golf renovation general obligations as described in Note 14.A. for business-type activities is comprised of current interest bonds, par value $771,889. The interest rates on the current interest bonds range from 2.50% - 5.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue was December 1, 2014.

The Series 2012 water and sewer general obligation bonds are described in Note 14.A.

Revenue bonds were issued for various projects at the Dayton International Airport. The revenue bonds are pledged against the revenue generated by the specific enterprise fund and will be paid from the respective enterprise fund.

On October 12, 2005, the City issued $19,865,000 in revenue bonds (Series 2005 Bonds). A portion of the proceeds of the 2005 bonds will be used to pay costs of airport improvements including the acquisition, construction, furnishing and equipping of passenger boarding bridges, escalators, and stairwells in concourse and providing all necessary and related improvements. A portion of the proceeds were used to currently refund the Series 1995 bonds (principal $12,485,000) and variable interest rates. This refunded debt is considered defeased (in substance) and accordingly, has been removed from the statement of net position.

On October 31, 2003, the City issued revenue bonds (Series 2003 Bonds). A portion of the proceeds of the 2003 bonds were issued to retire $8,000,000 in general obligation bond anticipation notes that the City issued to pay costs of airport improvements and to prepay the City's obligations for the lease-purchase agreement entered into to finance the terminal environment restoration project. Portions of the bonds were used to improve the airport by the acquisition, construction, furnishing and equipping of parking, roadway, airfield and terminal improvements and providing all necessary and related improvements. A portion of the proceeds was used to advance refund the Series 1992 bonds (principal $8,235,000) and variable interest rates. The issuance proceeds were deposited into a special 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 1992 bonds. This refunded debt is considered defeased (in substance) and accordingly, has been removed from the statement of net position. A portion of these bonds were defeased in 2007.

On September 9, 2014, the City issued airport revenue bonds (Series 2014 Bonds), par value $26,950,000. The proceeds was used to advance refund the Series 2003A and 2003C revenue bonds. The issuance proceeds were deposited into a 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, 2014 is $27,925,000.

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. This advance refunding was undertaken to reduce the combined total debt service payments over the next 18 years by $5,411,940 and resulted in an economic gain of $3,664,034.

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future airport revenues, net of specified operating expenses, to repay $36,275,000 in Series 2005 and $6,000,000 in Series 2014 airport revenue bonds. The Series 2005 and 2014 airport revenue bonds are payable solely from airport net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 21.39 percent of net revenues. The total principal and interest remaining to be paid on the Series 2005 and 2014 airport revenue bonds is $41,704,162. Principal and interest paid for the current year and total customer net revenues were $1,173,031 and $5,484,501, 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 Loan will be paid from the sewer enterprise fund. At December 31, 2014, the City had outstanding borrowings of $7,662,986 through OWDA.

The City has pledged future sewer revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2023. Annual principal and interest payments on the loans are expected to require 12.98 percent of net revenues. The total principal and interest remaining to be paid on the loans is $9,030,297. Principal and interest paid for the current year were $1,087,586 and total customer net revenues were $9,669,599.

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

Compensated absences will be paid from the fund from which the employees' salaries are paid which, for the City, are the Dayton International Airport fund, the Water fund, the Sewer fund, the Storm Water fund and the Golf fund.

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2014 for the business-type activities.

Year Ending	General Obligation Bonds			Revenue Bonds		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2015	$ 2,260,000	$ 1,601,909	$ 3,861,909	$ 1,445,000	$ 1,237,784	$ 2,682,784
2016	2,375,000	1,510,110	3,885,110	1,500,000	1,184,284	2,684,284
2017	1,860,000	1,412,170	3,272,170	1,550,000	1,128,134	2,678,134
2018	1,940,000	1,333,419	3,273,419	1,605,000	1,069,613	2,674,613
2019	9,965,000	5,329,091	15,294,091	1,675,000	999,676	2,674,676
2020 - 2024	10,655,000	3,002,629	13,657,629	7,255,000	3,963,501	11,218,501
2025 - 2029	7,470,000	621,888	8,091,888	8,420,000	2,257,900	10,677,900
2030 - 2032	-	-	-	5,940,000	473,270	6,413,270
Totals	$ 36,525,000	$ 14,811,216	$ 51,336,216	$ 29,390,000	$ 12,314,162	$ 41,704,162

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending	OWDA Loan			OPWC Loan		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2015	$ 800,295	$ 287,291	$ 1,087,586	$ 50,000	$ -	$ 50,000
2016	831,353	256,232	1,087,585	50,000	-	50,000
2017	863,616	223,969	1,087,585	50,000	-	50,000
2018	897,134	190,452	1,087,586	50,000	-	50,000
2019	931,950	155,635	1,087,585	50,000	-	50,000
2020 - 2023	3,338,638	253,732	3,592,370	50,000	-	50,000
Totals	$ 7,662,986	$ 1,367,311	$ 9,030,297	$ 300,000	$ -	$ 300,000

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 2014, the City contracted with various insurance companies to provide the following coverages:

Type of Coverage	Coverage
Primary and Excess Airport Liability	$100,000,000
Excess of Airport Policy	50,000,000
Property	891,443,245
Property: Supplemental Coverages	71,800,000
General Liability (North West Railway)	10,000,000
Commercial Liability (Convention Center)	2,000,000
Tenant Liability (Convention Center)	1,000,000
Errors and Omissions (Ambulance Attendants)	3,000,000
Errors and Omissions (Municipal Court)	500,000
Garagekeepers: Liability	2,000,000
Garagekeepers: Test Driving	1,000,000
Inland Marine	365,975
General Liability (Zion Cultural Center)	2,000,000
Excess Umbrella Coverage (Zion Cultural Center)	5,000,000
General Liability	
(Community Service Program for Dayton Municipal Court)	100,000
(Community Service Program for Dayton Municipal Court - Additional various coverages)	3,510,000
Travel (AD&D)	1,000,000
Executive Management Liability Policy	2,000,000
Public Officials Bond	2,500,000

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.

NOTE 15 - RISK MANAGEMENT - (Continued)

The City's policy for reporting a claims liability is based on the requirements GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. It is the opinion of the City's legal counsel that, as of December 31, 2014, there were $7,163 in outstanding claims pending that are reported as a component of claimants payable in the general fund. Claims activity for 2014 and 2013 are as follows:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	$ 39,856	$ 83,683	$ (116,376)	$ 7,163
2013	93,450	66,510	(120,104)	39,856

B. Workers' Compensation

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

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

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

The claims liability of $4,977,717 reported at December 31, 2014, 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 $4,977,717 claims liability, $1,369,820 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 $3,607,897. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

NOTE 15 - RISK MANAGEMENT - (Continued)

Changes in the funds' claims liability amount in 2014 and 2013 were:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	$ 5,022,290	$ 1,873,469	$ (1,918,042)	$ 4,977,717
2013	4,549,304	2,792,778	(2,319,792)	5,022,290

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 $2,541,141 for the claims payable liability. Changes in the claims payable liability in 2014 and 2013 were as follows:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	$ 2,657,366	$ 16,737,314	$ (16,853,539)	$ 2,541,141
2013	2,460,583	16,577,969	(16,381,186)	2,657,366

NOTE 16 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

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

NOTE 16 - OTHER EMPLOYEE BENEFITS - (Continued)

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

B. Insurance Benefits

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

C. Deferred Compensation Plans

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

NOTE 17 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting https://www.opers.org/investments/cafr.shtml, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

NOTE 17 - PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The City's contribution rate for 2014 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were $8,439,181, $8,827,637, and $6,976,584, respectively; 92.02% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the Member-Directed Plan for 2014 were $215,658 made by the City and $154,041 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.50% of their annual covered salary. Throughout 2014, the City was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

For 2014, the portion of the City's contributions to fund pension obligations was 19.00% for police officers and 23.50% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were $4,799,997 and $4,583,936 for the year ended December 31, 2014, $3,876,616 and $3,931,652 for the year ended December 31, 2013, and $3,123,636 and $3,466,063, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 92.67% has been contributed for police and 92.61% has been contributed for firefighters for 2014. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements.

NOTE 18 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

NOTE 18 - POSTRETIREMENT BENEFIT PLANS - (Continued)

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting https://www.opers.org/investments/cafr.shtml, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were $1,407,023, $630,293, and $2,826,071, respectively; 92.02% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

NOTE 18 - POSTRETIREMENT BENEFIT PLANS - (Continued)

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

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

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

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 employers, 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.

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, 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 the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is 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 contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were $126,316 and $97,531 for the year ended December 31, 2014, $719,435 and $592,369 for the year ended December 31, 2013, and $1,653,689 and $1,356,286, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 92.67% has been contributed for police and 92.61% has been contributed for firefighters for 2014. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments/pension obligation payable on the basic financial statements.

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 balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and other special revenue fund, a major special revenue 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 other special revenue for the year ended December 31, 2014, on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance

	General	Other Special Revenue
Budget basis	$ (5,102,267)	$ (1,129,218)
Net adjustment for revenues	1,353,391	(30,291)
Net adjustment for expenditures	(1,171,058)	(473,319)
Adjustment for encumbrances	5,639,811	1,375,377
GAAP basis	$ 719,877	$ (257,451)

NOTE 20 - 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:

Fund	Year-End Encumbrances
General fund	$ 4,177,347
Other special revenue	1,109,312
Debt service	30,458
Capital improvement	12,226,784
Nonmajor governmental	18,098,243
Total	$ 35,642,144

NOTE 21 - 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	Other Special Revenue	Debt Service Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaids	$ 741,187	$ 500	$ -	$ -	$ -	$ 741,687
Advances to other funds	200,000	-	-	-	-	200,000
Advances to component unit	3,474,667	-	-	-	-	3,474,667
Perpetual care	-	-	-	-	102,228	102,228
Loans receivable	6,375,620	-	-	-	-	6,375,620
Unclaimed monies	322,407	-	-	-	-	322,407
Total nonspendable	11,113,881	500	-	-	102,228	11,216,609
Restricted:						
Street and highway programs	-	-	-	-	2,143,804	2,143,804
Special projects	-	5,420,505	-	-	-	5,420,505
Housing and urban development	-	-	-	-	5,194,956	5,194,956
Debt service	-	-	26,915,684	-	-	26,915,684
Capital projects	-	-	-	15,704,146	-	15,704,146
Other purposes	-	-	-	-	4,336,427	4,336,427
Permanent fund	-	-	-	-	80,350	80,350
Total restricted	-	5,420,505	26,915,684	15,704,146	11,755,537	59,795,872
Committed:						
Capital projects	-	-	-	8,310,682	-	8,310,682
Downtown	12,477	-	-	-	-	12,477
Community development	71,418	-	-	-	-	71,418
Economic development	57,859	-	-	-	-	57,859
Leadership and quality of life	587,817	-	-	-	-	587,817
Corporate responsibility	738,248	-	-	-	-	738,248
Public safety	517,714	-	-	-	-	517,714
Special assessments	-	-	419,906	-	-	419,906
Total committed	1,985,533	-	419,906	8,310,682	-	10,716,121
Assigned:						
Downtown	1,471	-	-	-	-	1,471
Community development	55,990	-	-	-	-	55,990
Economic development	18,746	-	-	-	-	18,746
Leadership and quality of life	257,262	-	-	-	-	257,262
Corporate responsibility	175,642	-	-	-	-	175,642
Public safety	168,591	-	-	-	-	168,591
Special payroll	3,135,301	-	-	-	-	3,135,301
Termination pay	1,414,660	-	-	-	-	1,414,660
Special assessments	185,997	-	-	-	-	185,997
Unemployment	981,886	-	-	-	-	981,886
Other purposes	339,058	-	-	-	-	339,058
MVH community based policing	81,795	-	-	-	-	81,795
Sunrise Bomberger Center	100,346	-	-	-	-	100,346
Mediation center	83,972	-	-	-	-	83,972
Professional development	143,230	-	-	-	-	143,230
Nationwide settlement	245,387	-	-	-	-	245,387
Judgments	1,236,794	-	-	-	-	1,236,794
Development	5,387,466	-	-	-	-	5,387,466
Real estate development	80,154	-	-	-	-	80,154
Subsequent year appropriations	7,174,410	-	-	-	-	7,174,410
Capital projects	-	-	-	8,203,654	-	8,203,654
Total assigned	21,268,158	-	-	8,203,654	-	29,471,812
Unassigned	27,221,281	-	-	-	-	27,221,281
Total fund balances	$ 61,588,853	$ 5,421,005	$ 27,335,590	$ 32,218,482	$ 11,857,765	$ 138,421,695

NOTE 22 - DISCRETELY PRESENTED COMPONENT UNIT

A. Basis of Accounting

CityWide adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 established new financial reporting requirements for state and local governments, and it was designed to make the financial statements more comprehensive and easier to use and understand. CityWide also adopted the provisions of GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*. The most significant changes resulting from the implementation is the inclusion of Management's Discussion and Analysis.

CityWide reports as a business-type activity, as defined by GASB Statement No. 34. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The financial statements have been prepared on an accrual basis. In 2010, the GASB issued statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The presented combined financial statements (including notes) reflect the standards noted above and consecutive statements through GASB Statement No. 66. GASB statements Nos. 67 through 71 became effective during 2014; however, management has reviewed these statements and determined they are not relevant to CityWide given the nature of its operations.

B. Deposits and Investments

GASB Statement No. 3, *Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40, requires disclosures to help assess actual and potential future deposit and investment market and credit risks. The following information regarding deposits and investments is presented using the categories of risk identified in GASB Statement No. 3.

Deposits: The carrying amounts of CityWide's deposits were $8,035,633 and $7,437,810 as of December 31, 2014 and 2013, respectively. The bank balance of CityWide's deposits was $8,150,025 and $7,712,839 as of December 31, 2014 and 2013, respectively. Of the balance:

1. $2,250,914 and $2,462,174 were covered by federal depository insurance as of December 31, 2014 and 2013, respectively.

2. $5,899,111 and $5,250,665 were uncollateralized and uninsured as of December 31, 2014 and 2013, respectively.

The FDIC insurance limit for non-interest bearing accounts and interest bearing accounts is up to $250,000. These limits were effective through December 31, 2014.

Investments are recorded at fair value, which approximates cost due to the short-term nature of investments held.

NOTE 22 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

A reconciliation between the classifications of "equity in pooled cash and investments" on the statements of net position and the classifications of "deposits" and "investments" presented above per GASB Statement No. 3, as amended by GASB Statement No. 40, is as follows:

	2014	2013
Equity in pooled cash and investments	$ 3,558,302	$ 3,342,069
Restricted equity in pooled cash and investments	4,477,331	4,095,741
Total per combined statements of net position	$ 8,035,633	$ 7,437,810
Deposits	$ 8,035,633	$ 7,437,810
Total per GASB Statement No. 40	$ 8,035,633	$ 7,437,810

C. Notes Payable/Advance from Primary Government

Notes and loans payable/due from primary government at December 31, 2014, consisted of the following:

Note	Payable to	Amount
Noninterest-bearing Note for Landing Project	City of Dayton	$ 5,433,600
Noninterest-bearing Note for Wellfield Project	City of Dayton	1,497,787
Note for Renovation of Western Manor	City of Dayton and the Dayton Montgomery County Housing Authority	52,349
Note for redevelopment of Hawthorn School Building	City of Dayton	681,584
Note for Webster Street Project	City of Dayton	180,000
Note for Phoenix Redevelopment Areas	City of Dayton	2,272,699
Other Notes Payable	City of Dayton	1,139,667
Loan Payable for Tech Town Campus	City of Dayton	2,335,000
Total advance from primary government		$ 13,592,686
Note for Phoenix Project	OHFA	$ 300,000
Note for Housing Loans	Third-Party Insurance Company	671,106
Total notes payable to other parties		$ 971,106

NOTE 22 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

The amounts payable to the City are shown on the Statement of Net position as "Due to Primary Government".

D. Loans Payable

Loans payable at December 31, 2014 consisted of the following:

Description	Maturity Date	Amount
Real estate loan with a financial institution	June 30, 2016	$ 278,613
Loan with City of Dayton classified as advance from primary government	October 1, 2031	2,335,000
Real estate loan with a financial institution	March 2018	549,201
Real estate loan with a financial institution	December 31, 2039	8,351,000
Real estate loan with a financial institution	June 27, 2040	9,894,000
Loan payable with a financial institution	October 2017	29,953
Loan payable with a financial institution (includes an interest rate swap)	April 2019	1,680,800
Loan payable with a financial institution	November 2016	450,242
Total		$ 23,568,809

NOTE 22 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

The debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	$ 790,045	$ 781,617	$ 1,571,662
2016	1,237,016	582,720	1,819,736
2017	997,641	544,215	1,541,856
2018	1,239,862	505,741	1,745,603
2019	670,528	471,926	1,142,454
Thereafter	18,633,716	4,871,118	23,504,834
Total	$ 23,568,808	$ 7,757,337	$ 31,326,145

CityWide has entered into an interest rate swap agreement with a bank, whereby the bank pays CityWide the same floating interest rate based on the notional principal of $1,680,800, and CityWide pays a fixed rate of 4.85% to the bank. The notional principal of the swap amortizes through April 2019. The fair valuation of the interest rate swap resulted in a mark to market liability of $20,777 and $29,278 as of December 31, 2014 and 2013; respectively, which is included in accrued liabilities in the combined financial statements. The interest rate swap agreement expires on April 15, 2019.

F. Operating Lease

CityWide has various operating leases for office equipment and office space. The leases expire at various times through 2019. Rent expense associated with these leases was $16,203 for the year ended December 31, 2014. CityWide is responsible for various costs under the lease including insurance, taxes and maintenance.

Future minimum lease payments due over the subsequent four years are as follows:

Year Ending December 31,	Amount
2015	$ 15,532
2016	15,532
2017	14,062
2018	12,588
2019	7,343
Total	$ 65,057

G. Retirement Plans

CityWide maintains a defined-contribution pension plan administered by an unrelated insurance company. This noncontributory plan covers all salaried employees with at least one year of service. Amendments to the plan require approval by the Board of Trustees. CityWide contributed 8% for both 2014 and 2013, respectively, of each eligible employee's annual salary, plus 5.7% of salaries greater than $117,000. Plan contributions, net of forfeitures, were approximately $113,696 and $95,850 in 2014 and 2013, respectively.

NOTE 22 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

CityWide also maintains a 401(k) plan for its employees. The plan is for employee contributions only.

	2014	2013
Pension value	$ 1,102,019	$ 1,817,238
401(k) value	1,337,040	1,336,896
Total	$ 2,439,059	$ 3,154,134

H. Contingencies

CityWide is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. CityWide manages these risks through the purchase of commercial insurance.

CityWide owns properties that are considered tainted due to previous environmental remediation issues that were cleaned up prior to purchase by CityWide. Management believes the risk of any further environmental liabilities arising from these properties to be minimal.

CityWide receives various financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of CityWide at December 31, 2014.

NOTE 23 - 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, 2014, to December 31, 2014, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Combining Statements and Schedules

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 102,711,400	$ 102,094,400	$ 102,649,505	$ 555,105
Property and other taxes	6,003,200	6,250,100	6,239,960	(10,140)
State shared taxes	7,391,700	7,397,200	7,242,146	(155,054)
Charges for services	27,588,400	26,683,200	25,901,849	(781,351)
Licenses and permits	1,425,000	1,241,800	1,348,270	106,470
Fines and forfeitures	3,140,000	3,290,900	3,316,271	25,371
Intergovernmental	5,011,200	5,087,700	5,120,697	32,997
Special assessments	120,000	175,900	177,352	1,452
Investment income	1,524,800	1,524,300	1,552,185	27,885
Other	3,039,900	3,398,000	3,351,520	(46,480)
Total revenues	157,955,600	157,143,500	156,899,755	(243,745)
Expenditures:				
General operating:				
General government:				
Clerk of commission	1,012,000	1,070,500	1,059,807	10,693
Civil service board	1,257,000	1,257,000	1,124,209	132,791
Human relations council	709,300	729,300	671,960	57,340
City manager's office	1,220,000	1,220,000	1,116,481	103,519
Deparment of public affairs	765,000	770,000	678,009	91,991
Department of planning & community development	1,569,400	1,569,400	1,439,259	130,141
Department of building services	2,699,700	2,734,700	2,482,194	252,506
Clerk of courts	3,306,200	3,306,200	3,232,573	73,627
Municipal court	3,978,000	3,978,000	3,909,989	68,011
Office of economic development	1,146,000	1,224,400	1,131,516	92,884
Department of management and budget	882,000	882,000	808,559	73,441
Department of water	79,000	79,000	64,911	14,089
Department of law	2,584,000	2,764,000	2,552,978	211,022
Department of finance	3,056,000	3,056,000	2,975,399	80,601
Department of human resources	797,000	901,000	874,982	26,018
Department of central services	15,167,000	14,901,100	14,202,849	698,251
Department of police	48,294,200	49,027,000	47,956,192	1,070,808
Department of fire	36,104,200	36,108,000	35,090,563	1,017,437
Department of public works	18,682,600	18,787,800	17,858,544	929,256
Department of recreation and youth services	5,988,700	6,433,800	6,092,457	341,343
Non-deparmental	1,447,200	1,318,800	998,757	320,043
Special projects	8,383,600	10,937,500	9,284,779	1,652,721
Debt service:				
Principal retirement	68,400	68,400	68,345	55
Interest and fiscal charges	12,900	12,900	8,578	4,322
Total expenditures	159,209,400	163,136,800	155,683,890	7,452,910
Excess (deficiency) of revenues over (under) expenditures	(1,253,800)	(5,993,300)	1,215,865	7,209,165
Other financing uses:				
Transfers (out)	(2,136,200)	(6,605,700)	(6,318,132)	287,568
Total other financing (uses)	(2,136,200)	(6,605,700)	(6,318,132)	287,568
Net change in fund balances	(3,390,000)	(12,599,000)	(5,102,267)	7,496,733
Fund balance at beginning of year	61,540,289	61,540,289	61,540,289	-
Prior year encumbrances appropriated	2,175,743	2,175,743	2,175,743	-
Fund balance at end of year	$ 60,326,032	$ 51,117,032	$ 58,613,765	$ 7,496,733

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 296,000	$ 359,800	$ 380,414	$ 20,614
Licenses and permits	26,200	31,800	33,645	1,845
Special assessments	353,400	429,400	454,052	24,652
Other	1,056,400	1,283,800	1,360,274	76,474
Total revenues	1,732,000	2,104,800	2,228,385	123,585
Expenditures:				
Various departments	2,857,700	4,482,600	3,412,895	1,069,705
Total expenditures	2,857,700	4,482,600	3,412,895	1,069,705
Excess of expenditures over revenues	(1,125,700)	(2,377,800)	(1,184,510)	1,193,290
Other financing sources:				
Transfers in	43,000	52,300	55,292	2,992
Total other financing sources	43,000	52,300	55,292	2,992
Net change in fund balance	(1,082,700)	(2,325,500)	(1,129,218)	1,196,282
Fund balance at beginning of year	3,431,785	3,431,785	3,431,785	-
Prior year encumbrances appropriated	1,109,881	1,109,881	1,109,881	-
Fund balance at end of year	$ 3,458,966	$ 2,216,166	$ 3,412,448	$ 1,196,282

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

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

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

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

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

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

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

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

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 6,317,916	$ 182,536	$ 6,500,452
Receivables:			
Accounts	102,999	-	102,999
Special assessments	427,710	-	427,710
Accrued interest	869	87	956
Due from other governments	6,950,713	-	6,950,713
Due from component units	6,225,049	-	6,225,049
Total assets	$ 20,025,256	$ 182,623	$ 20,207,879
Liabilities:			
Accounts payable	$ 231,905	$ -	$ 231,905
Contracts payable	1,237,158	-	1,237,158
Accrued wages and benefits payable	244,177	-	244,177
Retainage payable	21,895	-	21,895
Due to other funds	8,277	-	8,277
Due to other governments	12,518	-	12,518
Total liabilities	1,755,930	-	1,755,930
Deferred inflows of resources:			
Accrued interest not available	447	45	492
Special assessments revenue not available	427,710	-	427,710
Miscellaneous revenue not available	98,380	-	98,380
Intergovernmental revenue not available	6,067,602	-	6,067,602
Total deferred inflows of resources	6,594,139	45	6,594,184
Fund Balances:			
Nonspendable	-	102,228	102,228
Restricted	11,675,187	80,350	11,755,537
Total fund balances	11,675,187	182,578	11,857,765
Total liabilities, deferred inflows of resources and fund balances	$ 20,025,256	$ 182,623	$ 20,207,879

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
State shared taxes	$ 5,341,746	$ -	$ 5,341,746
Charges for services	801,575	-	801,575
Fines and forfeitures	445,880	-	445,880
Intergovernmental	18,541,525	-	18,541,525
Special assessments	38,922	-	38,922
Investment income	1,281	143	1,424
Increase in FMV of investments	465	20	485
Other	334,809	-	334,809
Total revenues	25,506,203	163	25,506,366
Expenditures:			
Current:			
General government:			
Downtown	387	-	387
Youth, education and human services	665,177	-	665,177
Community development and neighborhoods	9,128,968	-	9,128,968
Economic development	1,746,926	-	1,746,926
Leadership and quality of life	8,513,901	-	8,513,901
Corporate responsibility	146,000	-	146,000
Public safety and justice	3,176,603	-	3,176,603
Total expenditures	23,377,962	-	23,377,962
Excess of revenues over expenditures	2,128,241	163	2,128,404
Other financing sources:			
Transfers in	1,522,378	-	1,522,378
Total other financing sources	1,522,378	-	1,522,378
Net change in fund balances	3,650,619	163	3,650,782
Fund balances at beginning of year	8,024,568	182,415	8,206,983
Fund balances at end of year	$ 11,675,187	$ 182,578	$ 11,857,765

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CITY OF DAYTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	Street	Highway Maintenance	HUD Programs
Assets:			
Equity in pooled cash and cash equivalents	$ 980,074	$ 510,593	$ 205,051
Receivables:			
Accounts	51,984	-	51,015
Special assessments	-	-	427,710
Accrued interest	-	-	261
Due from other governments	2,180,093	209,358	818,084
Due from component units	-	-	6,225,049
Total assets	$ 3,212,151	$ 719,951	$ 7,727,170
Liabilities:			
Accounts payable	$ 66,037	$ 2,937	$ 14,051
Contracts payable	-	-	1,145,078
Accrued wages and benefits payable	106,534	11,309	64,235
Retainage payable	-	-	9,929
Due to other funds	2,318	-	5,770
Due to other governments	-	-	-
Total liabilities	174,889	14,246	1,239,063
Deferred inflows of resources:			
Accrued interest not available	-	-	134
Special assessments revenue not available	-	-	427,710
Miscellaneous revenue not available	51,050	-	47,330
Intergovernmental revenue not available	1,409,499	138,614	817,977
Total deferred inflows of resources	1,460,549	138,614	1,293,151
Fund Balances:			
Restricted	1,576,713	567,091	5,194,956
Total fund balances	1,576,713	567,091	5,194,956
Total liabilities, deferred inflows of resources and fund balances	$ 3,212,151	$ 719,951	$ 7,727,170

	Miscellaneous Grants		Total
$	4,622,198	$	6,317,916
	-		102,999
	-		427,710
	608		869
	3,743,178		6,950,713
	-		6,225,049
$	8,365,984	$	20,025,256
$	148,880	$	231,905
	92,080		1,237,158
	62,099		244,177
	11,966		21,895
	189		8,277
	12,518		12,518
	327,732		1,755,930
	313		447
	-		427,710
	-		98,380
	3,701,512		6,067,602
	3,701,825		6,594,139
	4,336,427		11,675,187
	4,336,427		11,675,187
$	8,365,984	$	20,025,256

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Street	Highway Maintenance	HUD Programs
Revenues:			
State shared taxes	$ 4,911,113	$ 430,633	$ -
Charges for services	410,621	-	16,118
Fines and forfeitures	-	-	-
Intergovernmental	99,691	-	9,664,057
Special assessments	-	-	38,922
Investment income	-	-	507
Increase (decrease) in FMV of investments	-	-	(71)
Other	129,169	-	70,359
Total revenues	5,550,594	430,633	9,789,892
Expenditures:			
Current:			
General government:			
Downtown	-	-	387
Youth, education and human services	-	-	665,177
Community development and neighborhoods	120	-	7,164,730
Economic development	-	-	130,322
Leadership and quality of life	6,440,839	203,421	1,696,697
Corporate responsibility	-	-	146,000
Public safety and justice	-	-	192,940
Total expenditures	6,440,959	203,421	9,996,253
Excess (deficiency) of revenues over (under) expenditures	(890,365)	227,212	(206,361)
Other financing sources:			
Transfers in	1,100,000	-	-
Total other financing sources	1,100,000	-	-
Net change in fund balances	209,635	227,212	(206,361)
Fund balances at beginning of year	1,367,078	339,879	5,401,317
Fund balances at end of year	$ 1,576,713	$ 567,091	$ 5,194,956

Miscellaneous Grants	Total
$ -	$ 5,341,746
374,836	801,575
445,880	445,880
8,777,777	18,541,525
-	38,922
774	1,281
536	465
135,281	334,809
9,735,084	25,506,203
-	387
-	665,177
1,964,118	9,128,968
1,616,604	1,746,926
172,944	8,513,901
-	146,000
2,983,663	3,176,603
6,737,329	23,377,962
2,997,755	2,128,241
422,378	1,522,378
422,378	1,522,378
3,420,133	3,650,619
916,294	8,024,568
$ 4,336,427	$ 11,675,187

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
State shared taxes	$ 5,006,900	$ 5,016,500	$ 4,994,513	$ (21,987)
Charges for services	411,700	412,400	410,621	(1,779)
Other	166,700	167,000	166,297	(703)
Total revenues	5,585,300	5,595,900	5,571,431	(24,469)
Expenditures:				
Department of public works	5,468,900	6,668,800	6,479,327	189,473
Total expenditures	5,468,900	6,668,800	6,479,327	189,473
Excess (deficiency) of revenues over (under) expenditures	116,400	(1,072,900)	(907,896)	165,004
Other financing sources:				
Transfers in	-	1,104,900	1,100,000	(4,900)
Total other financing sources	-	1,104,900	1,100,000	(4,900)
Net change in fund balance	116,400	32,000	192,104	160,104
Fund balance at beginning of year	952,790	952,790	952,790	-
Prior year encumbrances appropriated	16,677	16,677	16,677	-
Fund balance at end of year	$ 1,085,867	$ 1,001,467	$ 1,161,571	$ 160,104

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
State shared taxes	$ 400,000	$ 400,000	$ 429,402	$ 29,402
Total revenues	400,000	400,000	429,402	29,402
Expenditures:				
Department of public works	440,000	440,000	400,000	40,000
Total expenditures	440,000	440,000	400,000	40,000
Net change in fund balance	(40,000)	(40,000)	29,402	69,402
Fund balance at beginning of year	354,096	354,096	354,096	-
Prior year encumbrances appropriated	182,495	182,495	182,495	-
Fund balance at end of year	$ 496,591	$ 496,591	$ 565,993	$ 69,402

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and forfeitures	$ 2,385,600	$ 2,609,900	$ 765,921	$ (1,843,979)
Intergovernmental	30,073,500	32,899,800	9,655,306	(23,244,494)
Other	869,800	951,500	279,249	(672,251)
Total revenues	33,328,900	36,461,200	10,700,476	(25,760,724)
Expenditures:				
Various departments	24,416,300	27,233,500	16,968,184	10,265,316
Total expenditures	24,416,300	27,233,500	16,968,184	10,265,316
Excess (deficiency) of revenues over (under) expenditures	8,912,600	9,227,700	(6,267,708)	(15,495,408)
Other financing sources:				
Transfers in	1,315,600	1,439,200	422,378	(1,016,822)
Total other financing sources	1,315,600	1,439,200	422,378	(1,016,822)
Net change in fund balances	10,228,200	10,666,900	(5,845,330)	(16,512,230)
Fund balance at beginning of year	871,597	871,597	871,597	-
Prior year encumbrances appropriated	9,875,038	9,875,038	9,875,038	-
Fund balance at end of year	$ 20,974,835	$ 21,413,535	$ 4,901,305	$ (16,512,230)

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Other	$ 200	$ 200	$ 127	$ (73)
Total revenues	200	200	127	(73)
Expenditures:				
Other	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
Net change in fund balances	(49,800)	(49,800)	127	49,927
Fund balance at beginning of year	289,781	289,781	289,781	-
Fund balance at end of year	$ 239,981	$ 239,981	$ 289,908	$ 49,927

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 6,678,300	$ 7,023,600	$ 7,136,282	$ 112,682
Intergovernmental	2,397,500	2,521,500	2,561,893	40,393
Special assessments	79,200	83,300	84,644	1,344
Other	106,800	112,300	114,062	1,762
Total revenues	9,261,800	9,740,700	9,896,881	156,181
Expenditures:				
Department of finance	12,283,700	12,283,700	11,455,862	827,838
Total expenditures	12,283,700	12,283,700	11,455,862	827,838
Excess of expenditures over revenues	(3,021,900)	(2,543,000)	(1,558,981)	984,019
Other financing sources:				
Premium on bond issuance	104,600	110,000	249,270	139,270
Transfers in	951,300	1,000,500	842,500	(158,000)
Total other financing sources	1,055,900	1,110,500	1,091,770	(18,730)
Net change in fund balance	(1,966,000)	(1,432,500)	(467,211)	965,289
Fund balance at beginning of year	12,782,294	12,782,294	12,782,294	-
Prior year encumbrances appropriated	30,458	30,458	30,458	-
Fund balance at end of year	$ 10,846,752	$ 11,380,252	$ 12,345,541	$ 965,289

Nonmajor Enterprise Funds

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

Storm Water

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

Golf

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

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2014

	Storm Water	Golf	Total
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 11,445,501	$ 167,911	$ 11,613,412
Receivables:			
Accounts	1,530,338	-	1,530,338
Special assessments	630,762	-	630,762
Accrued interest	17,280	-	17,280
Due from other governments	22,062	-	22,062
Prepayments	-	4,982	4,982
Total current assets	13,645,943	172,893	13,818,836
Noncurrent assets:			
Capital assets:			
Land and construction in progress	57,500	594,927	652,427
Depreciable capital assets, net	13,165,100	4,004,289	17,169,389
Total capital assets, net	13,222,600	4,599,216	17,821,816
Total noncurrent assets	13,222,600	4,599,216	17,821,816
Total assets	26,868,543	4,772,109	31,640,652
Liabilities:			
Current liabilities:			
Accounts payable	19,122	2,780	21,902
Contracts payable	4,648	5,369	10,017
Accrued wages and benefits payable	116,758	36,440	153,198
Due to other funds	684,753	175	684,928
Due to other governments	-	3,351	3,351
Compensated absences payable - current	178,519	72,095	250,614
Advances from other funds	-	1,086,841	1,086,841
Capital lease obligations payable	5,405	-	5,405
Total current liabilities	1,009,205	1,207,051	2,216,256
Long-term liabilities:			
Compensated absences payable	95,384	38,521	133,905
Capital lease obligations payable	23,418	-	23,418
Total long-term liabilities	118,802	38,521	157,323
Total liabilities	1,128,007	1,245,572	2,373,579
Net position:			
Net investment in capital assets	13,217,952	4,593,847	17,811,799
Unrestricted (deficit)	12,522,584	(1,067,310)	11,455,274
Total net position	$ 25,740,536	$ 3,526,537	$ 29,267,073

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Storm Water	Golf	Total
Operating revenues:			
Charges for services	$ 7,330,340	$ 2,874,737	$ 10,205,077
Other operating revenues	28,284	8,870	37,154
Total operating revenues	7,358,624	2,883,607	10,242,231
Operating expenses:			
Personal services	2,142,297	743,332	2,885,629
Fringe benefits	914,442	288,021	1,202,463
Contract services	1,352,352	737,503	2,089,855
Materials and supplies	150,638	307,448	458,086
Utilities	78,767	114,700	193,467
Depreciation	545,967	271,643	817,610
Other	263,858	434,421	698,279
Total operating expenses	5,448,321	2,897,068	8,345,389
Operating income (loss)	1,910,303	(13,461)	1,896,842
Nonoperating revenues (expenses):			
Interest and fiscal charges	-	(54,921)	(54,921)
Loss on sale of capital assets	(4,500)	-	(4,500)
Interest income	31,663	-	31,663
Increase in fair market value of investments	2,409	-	2,409
Total nonoperating revenues (expenses)	29,572	(54,921)	(25,349)
Income (loss) before transfers and contributions	1,939,875	(68,382)	1,871,493
Transfer in	-	60,000	60,000
Capital contributions	71,485	-	71,485
Change in net position	2,011,360	(8,382)	2,002,978
Net position at beginning of year	23,729,176	3,534,919	27,264,095
Net position at end of year	$ 25,740,536	$ 3,526,537	$ 29,267,073

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Storm Water	Golf	Total
Cash flows from operating activities:			
Cash received from customers	$ 7,398,707	$2,874,737	$ 10,273,444
Cash received from other operations	28,284	8,870	37,154
Cash payments for personal services	(2,137,050)	(748,790)	(2,885,840)
Cash payments for fringe benefits	(916,382)	(287,794)	(1,204,176)
Cash payments for contractual services	(1,305,320)	(745,101)	(2,050,421)
Cash payments for materials and supplies	(165,266)	(308,590)	(473,856)
Cash payments for utilities	(78,588)	(119,926)	(198,514)
Cash payments for other expenses	(263,847)	(447,207)	(711,054)
Net cash provided by operating activities	2,560,538	226,199	2,786,737
Cash flows from noncapital financing activities:			
Cash used in repayment of interfund loans	-	(37,592)	(37,592)
Interest paid on interfund loans	-	(50,599)	(50,599)
Transfers in	-	60,000	60,000
Net cash used in noncapital financing activities	-	(28,191)	(28,191)
Cash flows from capital and related financing activities:			
Capital contributions	71,485	-	71,485
Acquisition of capital assets	(532,768)	(16,200)	(548,968)
Principal paid on bonds	-	(188,600)	(188,600)
Interest paid on bonds	-	(4,715)	(4,715)
Net cash used in capital and related financing activities	(461,283)	(209,515)	(670,798)
Cash flows from investing activities:			
Interest received	27,637	-	27,637
Net cash provided by investing activities	27,637	-	27,637
Net increase (decrease) in cash and cash equivalents	2,126,892	(11,507)	2,115,385
Cash and cash equivalents at beginning of year	9,318,609	179,418	9,498,027
Cash and cash equivalents at end of year	$ 11,445,501	$ 167,911	$ 11,613,412
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 1,910,303	$ (13,461)	$ 1,896,842
Adjustments:			
Depreciation	545,967	271,643	817,610
Changes in assets and liabilities:			
Decrease in accounts receivable	113,592	-	113,592
Decrease (increase) in prepayments	1,875	(4,982)	(3,107)
Increase in special assessments receivable	(45,225)	-	(45,225)
Decrease in accounts payable	(43,238)	(13,232)	(56,470)
Increase (decrease) in contracts payable	4,262	(1,591)	2,671
Decrease in retainage payable	(17,272)	-	(17,272)
Increase (decrease) in accrued wages and benefits	(8,530)	1,862	(6,668)
Increase (decrease) in due to other funds	86,967	(12)	86,955
Decrease in due to other governments	-	(6,935)	(6,935)
Increase (decrease) in compensated absences payable	11,837	(7,093)	4,744
Net cash provided by operating activities	$ 2,560,538	$ 226,199	$ 2,786,737

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, 2014

	Fleet Management	Fire Fleet Management	Stores and Reproduction	Health Insurance
Assets:				
Current assets:				
Equity in pooled cash and investments	$ 554,855	$ 171,113	$ 170,493	$ 8,883,894
Receivables:				
Accounts	249	14,169	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	36,028	-
Due from other governments	-	33,202	-	-
Prepayments	-	14,535	-	220,878
Inventory held for resale	378,060	311,886	-	-
Advances to other funds	-	-	-	-
Total current assets	933,164	544,905	206,521	9,104,772
Noncurrent assets:				
Capital assets:				
Land	-	75,000	-	-
Depreciable capital assets, net	59,044	687,312	12,008	-
Total noncurrent assets	59,044	762,312	12,008	-
Total assets	992,208	1,307,217	218,529	9,104,772
Liabilities:				
Current liabilities:				
Accounts payable	88,153	19,566	26,552	2,514
Accrued wages and benefits payable	101,960	28,626	3,617	5,278
Due to other funds	13,201	146	-	3,382
Due to other governments	-	-	-	-
Compensated absences payable - current	49,429	10,316	22,227	9,886
Advances from other funds	200,000	-	-	-
Claims and judgments payable	-	-	-	2,541,141
Total current liabilities	452,743	58,654	52,396	2,562,201
Long-term liabilities:				
Compensated absences payable	26,411	5,512	11,876	5,282
Claims and judgements payable	-	-	-	-
Total long-term liabilities	26,411	5,512	11,876	5,282
Total liabilities	479,154	64,166	64,272	2,567,483
Net position:				
Net investment in capital assets	59,044	687,312	12,008	-
Unrestricted	454,010	555,739	142,249	6,537,289
Total net position	$ 513,054	$ 1,243,051	$ 154,257	$ 6,537,289

Workers' Compensation	Plumbing Shop	Total
$ 15,843,316	$ 505,440	$ 26,129,111
-	-	14,418
23,967	-	23,967
-	-	36,028
-	-	33,202
-	-	235,413
-	-	689,946
217,584	-	217,584
16,084,867	505,440	27,379,669
-	-	75,000
27,468	96,046	881,878
27,468	96,046	956,878
16,112,335	601,486	28,336,547
10,292	20,012	167,089
10,287	15,044	164,812
714	-	17,443
1,724,647	-	1,724,647
84,062	11,432	187,352
-	-	200,000
1,369,820	-	3,910,961
3,199,822	46,488	6,372,304
44,915	6,108	100,104
3,607,897	-	3,607,897
3,652,812	6,108	3,708,001
6,852,634	52,596	10,080,305
27,468	96,046	881,878
9,232,233	452,844	17,374,364
$ 9,259,701	$ 548,890	$ 18,256,242

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Fleet Management	Fire Fleet Management	Stores and Reproduction	Health Insurance
Operating revenues:				
Charges for services	$ 8,164,774	$ 1,284,259	$ 204,909	$ 18,471,977
Other operating revenues	201,645	31,588	326,547	-
Total operating revenues	8,366,419	1,315,847	531,456	18,471,977
Operating expenses:				
Personal services	1,636,134	488,210	129,599	159,762
Fringe benefits	722,416	195,220	55,715	26,076
Contract services	524,187	154,907	269,606	-
Materials and supplies	2,222,534	9,048	530	8,301
Cost of sales	3,044,256	293,201	47,022	-
Utilities	-	24,262	-	-
Claims expense	-	-	-	16,737,314
Depreciation	26,370	27,052	6,005	-
Other	27,568	2,378	26,649	25,300
Total operating expenses	8,203,465	1,194,278	535,126	16,956,753
Operating income (loss)	162,954	121,569	(3,670)	1,515,224
Nonoperating revenues:				
Operating grants	-	-	-	-
Interest income	-	-	-	-
Increase in fair market value of investments	-	-	-	-
Total nonoperating revenues	-	-	-	-
Income (loss) before transfers	162,954	121,569	(3,670)	1,515,224
Transfers out	-	(117,909)	-	-
Change in net position	162,954	3,660	(3,670)	1,515,224
Net position at beginning of year	350,100	1,239,391	157,927	5,022,065
Net position at end of year	$ 513,054	$ 1,243,051	$ 154,257	$ 6,537,289

Workers' Compensation	Plumbing Shop	Total
$ 3,324,855	$ 434,521	$ 31,885,295
13,183	2,562	575,525
3,338,038	437,083	32,460,820
490,028	210,204	3,113,937
164,123	82,266	1,245,816
225,294	3,363	1,177,357
127,957	119,118	2,487,488
-	-	3,384,479
-	-	24,262
1,873,469	-	18,610,783
9,159	11,249	79,835
21,440	-	103,335
2,911,470	426,200	30,227,292
426,568	10,883	2,233,528
40,000	-	40,000
41,437	-	41,437
4,970	-	4,970
86,407	-	86,407
512,975	10,883	2,319,935
-	-	(117,909)
512,975	10,883	2,202,026
8,746,726	538,007	16,054,216
$ 9,259,701	$ 548,890	$ 18,256,242

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Fleet Management	Fire Fleet Management	Stores and Reproduction	Health Insurance
Cash flows from operating activities:				
Cash received from interfund services provided	$ 8,340,926	$ 1,297,937	$ 207,231	$ 18,471,977
Cash received from other operations	201,645	31,588	326,547	
Cash payments for personal services	(1,713,819)	(504,120)	(112,745)	(158,318)
Cash payments for fringe benefits	(726,318)	(196,044)	(54,492)	(26,050)
Cash payments for contractual services	(526,798)	(156,594)	(292,558)	-
Cash payments for materials and supplies	(2,281,377)	-	(933)	(8,301)
Cash payments for cost of goods sold	(3,094,426)	(313,522)	(47,022)	-
Cash payments for utilities	-	(23,597)	-	-
Cash payments for claims	-	-	-	(16,853,539)
Cash payments for other expenses	(27,676)	(2,391)	(23,668)	(240,282)
Net cash provided by operating activities	172,157	133,257	2,360	1,185,487
Cash flows from noncapital financing activities:				
Cash payments for interfund loans	(100,000)	-	-	-
Cash received from operating grants	-	-	-	-
Cash received from interfund loans	-	-	-	-
Cash used in transfers out	-	(117,909)	-	-
Net cash provided by (used in) noncapital financing activities	(100,000)	(117,909)	-	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	-	-
Net cash used in capital and related financing activities	-	-	-	-
Cash flows from investing activities:				
Interest received	-	-	-	-
Net cash provided by investing activies	-	-	-	-
Net increase (decrease) in cash and cash equivalents	72,157	15,348	2,360	1,185,487
Cash and cash equivalents at beginning of year	482,698	155,765	168,133	7,698,407
Cash and cash equivalents at end of year	$ 554,855	$ 171,113	$ 170,493	$ 8,883,894
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 162,954	$ 121,569	$ (3,670)	$ 1,515,224
Adjustments:				
Depreciation	26,370	27,052	6,005	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(249)	4,253	-	-
Decrease in due from other funds	163,438	16,157	2,322	-
Increase in due from other governments	-	(6,732)	-	-
Decrease (increase) in prepayments	-	208	-	(220,878)
Increase in inventory held for resale	(50,170)	(20,321)	-	-
Increase (decrease) in accounts payable	(61,463)	18,584	(20,374)	2,514
Increase (decrease) in accrued wages and benefits	7,237	2,293	(168)	(1,689)
Increase (decrease) in due to other funds	12,864	(10,779)		3,382
Increase in due to other governments	-	-	-	-
Increase (decrease) in compensated absences payable	(88,824)	(19,027)	18,245	3,159
Decrease in claims payable	-	-	-	(116,225)
Net cash provided by operating activities	$ 172,157	$ 133,257	$ 2,360	$ 1,185,487

Workers' Compensation	Plumbing Shop	Total
$ 3,324,855	$ 434,521	$ 32,077,447
13,183	2,562	575,525
(406,720)	(215,991)	(3,111,713)
(158,010)	(82,366)	(1,243,280)
(230,605)	(3,385)	(1,209,940)
(125,056)	(107,389)	(2,523,056)
-	-	(3,454,970)
-	-	(23,597)
(1,712,916)	-	(18,566,455)
(21,392)	-	(315,409)
683,339	27,952	2,204,552
-	-	(100,000)
40,000	-	40,000
68,345	-	68,345
-	-	(117,909)
108,345	-	(109,564)
-	(36,150)	(36,150)
-	(36,150)	(36,150)
39,959	-	39,959
39,959	-	39,959
831,643	(8,198)	2,098,797
15,011,673	513,638	24,030,314
$ 15,843,316	$ 505,440	$ 26,129,111
$ 426,568	$ 10,883	$ 2,233,528
9,159	11,249	79,835
-	-	4,004
-	-	181,917
-	-	(6,732)
-	-	(220,670)
-	-	(70,491)
(2,431)	11,887	(51,283)
(629)	2,550	9,594
69	(180)	5,356
205,126	-	205,126
90,050	(8,437)	(4,834)
(44,573)	-	(160,798)
$ 683,339	$ 27,952	$ 2,204,552

CITY OF DAYTON, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

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

Agency Funds

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

Guaranty
Performance Bond
Developer Construction Payments
Deposit of Taxes/Courthouse Square
Dependent Care
Fire Proceeds
Urban Renewal Comp Dep
Building Permit Surcharge
Payroll Withholding
Special Improvement District
GMR Trading Project
Miami Township-Dayton JEDD
Butler Township-Dayton JEDD
EPA GMR Trading Project
Municipal Courts
Executive Severance

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance 12/31/13	Additions	Deductions	Balance 12/31/14
Guaranty				
Assets:				
Equity in pooled cash and cash equivalents.	$ 49,649	$ -	$ -	$ 49,649
Total assets.	$ 49,649	$ -	$ -	$ 49,649
Liabilities:				
Intergovernmental payable.	$ 49,649	$ -	$ -	$ 49,649
Total liabilities.	$ 49,649	$ -	$ -	$ 49,649
Performance Bond				
Assets:				
Equity in pooled cash and cash equivalents.	$ 14,119	$ -	$ -	$ 14,119
Total assets.	$ 14,119	$ -	$ -	$ 14,119
Liabilities:				
Withholdings and deposits.	$ 14,119	$ -	$ -	$ 14,119
Total liabilities.	$ 14,119	$ -	$ -	$ 14,119
Developer Construction Payments				
Assets:				
Equity in pooled cash and cash equivalents.	$ 23,000	$ -	$ 20,000	$ 3,000
Total assets.	$ 23,000	$ -	$ 20,000	$ 3,000
Liabilities:				
Due to others.	$ 23,000	$ -	$ 20,000	$ 3,000
Total liabilities.	$ 23,000	$ -	$ 20,000	$ 3,000
Deposit of Taxes/Courthouse Square				
Assets:				
Accounts receivable.	$ 258,089	$ 174,382	$ 258,089	$ 174,382
Total assets.	$ 258,089	$ 174,382	$ 258,089	$ 174,382
Liabilities:				
Intergovernmental payable.	$ 83,706	$ 83,711	$ 83,706	$ 83,711
Due to others.	174,383	90,671	174,383	90,671
Total liabilities.	$ 258,089	$ 174,382	$ 258,089	$ 174,382
Dependent Care				
Assets:				
Equity in pooled cash and cash equivalents.	$ 2,228	$ -	$ -	$ 2,228
Total assets.	$ 2,228	$ -	$ -	$ 2,228
Liabilities:				
Intergovernmental payable.	$ 2,228	$ -	$ -	$ 2,228
Total liabilities.	$ 2,228	$ -	$ -	$ 2,228

- - Continued

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance 12/31/13	Additions	Deductions	Balance 12/31/14
Fire Proceeds				
Assets:				
Equity in pooled cash and cash equivalents.	$ 907,078	$ 153,632	$ 13,374	$ 1,047,336
Total assets.	$ 907,078	$ 153,632	$ 13,374	$ 1,047,336
Liabilities:				
Intergovernmental payable.	$ 907,078	$ 153,632	$ 13,374	$ 1,047,336
Total liabilities.	$ 907,078	$ 153,632	$ 13,374	$ 1,047,336
Urban Renewal Comp Dep				
Assets:				
Equity in pooled cash and cash equivalents.	$ 53,520	$ -	$ -	$ 53,520
Total assets.	$ 53,520	$ -	$ -	$ 53,520
Liabilities:				
Withholdings and deposits.	$ 53,520	$ -	$ -	$ 53,520
Total liabilities.	$ 53,520	$ -	$ -	$ 53,520
Building Permit Surcharge				
Assets:				
Equity in pooled cash and cash equivalents.	$ 8,681	$ 6,466	$ 1,265	$ 13,882
Total assets.	$ 8,681	$ 6,466	$ 1,265	$ 13,882
Liabilities:				
Accounts payable	$ 1,265	$ 1,612	$ 1,265	$ 1,612
Due to others.	7,416	4,854	-	12,270
Total liabilities.	$ 8,681	$ 6,466	$ 1,265	$ 13,882
Payroll Withholding				
Assets:				
Equity in pooled cash and cash equivalents.	$ 2,100,488	$ 1,246,029	$ 2,100,488	$ 1,246,029
Receivables:				
Intergovernmental.	90,671	90,671	90,671	90,671
Total assets.	$ 2,191,159	$ 1,336,700	$ 2,191,159	$ 1,336,700
Liabilities:				
Accounts payable	$ 43,747	$ -	$ 43,747	$ -
Due to others.	134,465	178,118	134,465	178,118
Withholdings and deposits.	2,012,947	1,158,582	2,012,947	1,158,582
Total liabilities.	$ 2,191,159	$ 1,336,700	$ 2,191,159	$ 1,336,700
Special Improvement District				
Assets:				
Equity in pooled cash and cash equivalents.	$ 45,098	$ 125,375	$ 45,098	$ 125,375
Receivables:				
Special assessments.	2,589,321	-	1,294,661	1,294,660
Total assets.	$ 2,634,419	$ 125,375	$ 1,339,759	$ 1,420,035
Liabilities:				
Due to others.	$ 2,634,419	$ 125,375	$ 1,339,759	$ 1,420,035
Total liabilities.	$ 2,634,419	$ 125,375	$ 1,339,759	$ 1,420,035

- - Continued

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance 12/31/13	Additions	Deductions	Balance 12/31/14
GMR Trading Project				
Assets:				
Equity in pooled cash and cash equivalents.	$ 40,900	$ 6,046	$ -	$ 46,946
Total assets.	$ 40,900	$ 6,046	$ -	$ 46,946
Liabilities:				
Intergovernmental payable.	$ 40,900	$ 6,046	$ -	$ 46,946
Total liabilities.	$ 40,900	$ 6,046	$ -	$ 46,946
Miami Township-Dayton JEDD				
Assets:				
Equity in pooled cash and cash equivalents.	$ 399,214	$ 492,747	$ 399,214	$ 492,747
Total assets.	$ 399,214	$ 492,747	$ 399,214	$ 492,747
Liabilities:				
Accounts payable	$ 38,775	$ -	$ 38,775	$ -
Intergovernmental payable.	360,439	531,522	399,214	492,747
Total liabilities.	$ 399,214	$ 531,522	$ 437,989	$ 492,747
Butler Township-Dayton JEDD				
Assets:				
Equity in pooled cash and cash equivalents.	$ 53,053	$ 61,874	$ 53,053	$ 61,874
Total assets.	$ 53,053	$ 61,874	$ 53,053	$ 61,874
Liabilities:				
Accounts payable	$ 8,146	$ -	$ 8,146	$ -
Intergovernmental payable.	44,907	70,020	53,053	61,874
Total liabilities.	$ 53,053	$ 70,020	$ 61,199	$ 61,874
EPA GMR Trading Project				
Assets:				
Equity in pooled cash and cash equivalents.	$ 19,108	$ -	$ -	$ 19,108
Total assets.	$ 19,108	$ -	$ -	$ 19,108
Liabilities:				
Due to others.	$ 19,108	$ -	$ -	$ 19,108
Total liabilities.	$ 19,108	$ -	$ -	$ 19,108

- - Continued

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance 12/31/13	Additions	Deductions	Balance 12/31/14
Municipal Courts				
Assets:				
Cash and cash equivalents with fiscal agent	$ 1,455,286	$ 1,403,016	$ 1,455,286	$ 1,403,016
Total assets	$ 1,455,286	$ 1,403,016	$ 1,455,286	$ 1,403,016
Liabilities:				
Intergovernmental payable	$ 522,818	$ 548,121	$ 522,818	$ 548,121
Due to others	932,468	854,895	932,468	854,895
Total liabilities	$ 1,455,286	$ 1,403,016	$ 1,455,286	$ 1,403,016
Executive Severance				
Assets:				
Investments with fiscal agent	$ 693,429	$ 143,937	$ 184,605	$ 652,761
Total assets	$ 693,429	$ 143,937	$ 184,605	$ 652,761
Liabilities:				
Withholdings and deposits	$ 693,429	$ 143,937	$ 184,605	$ 652,761
Total liabilities	$ 693,429	$ 143,937	$ 184,605	$ 652,761
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	$ 3,716,136	$ 2,092,169	$ 2,632,492	$ 3,175,813
Investments with fiscal agent	693,429	143,937	184,605	652,761
Cash and cash equivalents with fiscal agent	1,455,286	1,403,016	1,455,286	1,403,016
Receivables:				
Accounts	258,089	174,382	258,089	174,382
Special assessments	2,589,321	-	1,294,661	1,294,660
Intergovernmental	90,671	90,671	90,671	90,671
Total assets	$ 8,802,932	$ 3,904,175	$ 5,915,804	$ 6,791,303
Liabilities:				
Accounts payable	$ 91,933	$ 1,612	$ 91,933	$ 1,612
Intergovernmental payable	2,011,725	1,393,052	1,072,165	2,332,612
Due to others	3,925,259	1,253,913	2,601,075	2,578,097
Withholdings and deposits	2,774,015	1,302,519	2,197,552	1,878,982
Total liabilities	$ 8,802,932	$ 3,951,096	$ 5,962,725	$ 6,791,303

Statistical

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STATISTICAL SECTION

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

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CITY OF DAYTON, OHIO

STATISTICAL SECTION

This part of the City of Dayton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. **S 4 - S 13**

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, 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 30**

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 31 - S 42**

Operating Information
This schedule contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. **S 43**

Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 63 in 2012; schedules presenting net position begin in that year.

CITY OF DAYTON, OHIO

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

	2005	2006	2007 (1)	2008 (1)
Governmental activities				
Net investment in capital assets	$ 228,383,145	$ 242,926,214	$ 271,643,144	$ 282,480,043
Restricted	65,403,080	71,779,813	332,238,842	378,805,983
Unrestricted	44,629,417	43,854,526	43,818,871	16,945,325
Total governemental activities net assets/position	$ 338,415,642	$ 358,560,553	$ 647,700,857	$ 678,231,351
Business-type activities				
Net investment in capital assets	$ 328,655,724	$ 346,386,163	$ 380,238,011	$ 389,630,233
Unrestricted	129,939,569	136,579,525	127,953,698	144,931,193
Total business-type activities net assets/position	$ 458,595,293	$ 482,965,688	$ 508,191,709	$ 534,561,426
Primary government				
Net investment in capital assets	$ 557,038,869	$ 589,312,377	$ 651,881,155	$ 672,110,276
Restricted	65,403,080	71,779,813	332,238,842	378,805,983
Unrestricted	174,568,986	180,434,051	171,772,569	161,876,518
Total primary government net assets/position	$ 797,010,935	$ 841,526,241	$ 1,155,892,566	$ 1,212,792,777

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

(2) The City implemented GASB Statements No. 63 and 65 in 2012.
Only balances after December 31, 2011 are presented in accordance with GASB Statements No. 63 and 65.

Source: City of Dayton financial records

2009 (1)	2010	2011 (1) (2)	2012 (1)	2013	2014
$ 300,486,474	$ 321,452,359	$ 332,540,773	$ 370,313,674	$ 375,002,891	$ 380,538,467
91,563,337	99,691,871	77,231,301	71,969,027	63,085,637	64,768,896
10,040,732	7,086,581	42,181,978	58,329,858	71,855,215	94,801,310
$ 402,090,543	$ 428,230,811	$ 451,954,052	$ 500,612,559	$ 509,943,743	$ 540,108,673
$ 401,965,547	$ 419,111,268	$ 429,634,383	$ 401,528,337	$ 407,888,085	$ 420,343,386
144,144,446	146,350,941	145,543,923	190,338,004	191,931,048	191,093,515
$ 546,109,993	$ 565,462,209	$ 575,178,306	$ 591,866,341	$ 599,819,133	$ 611,436,901
$ 702,452,021	$ 740,563,627	$ 762,175,156	$ 771,842,011	$ 782,890,976	$ 800,881,853
91,563,337	99,691,871	77,231,301	71,969,027	63,085,637	64,768,896
154,185,178	153,437,522	187,725,901	248,667,862	263,786,263	285,894,825
$ 948,200,536	$ 993,693,020	$ 1,027,132,358	$ 1,092,478,900	$ 1,109,762,876	$ 1,151,545,574

CITY OF DAYTON, OHIO

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

	2005	2006	2007	2008
Expenses				
Governmental activities:				
Downtown	$ 5,064,225	$ 4,978,385	$ 5,666,737	$ 5,570,112
Youth, education and human services	2,070,638	1,886,238	2,408,097	2,583,667
Community development and neighbors	20,037,194	20,050,274	21,459,480	21,460,067
Economic development	7,162,137	9,348,825	15,999,955	9,810,580
Leadership and quality of life	46,407,089	43,411,252	43,224,368	48,563,961
Corporate responsibility	16,907,149	20,544,073	17,892,823	17,442,665
Public safety and justice	94,599,294	98,533,695	101,277,697	101,533,014
Other	2,547,338	1,105,280	1,378,197	683,122
Bond issuance costs	-	-	-	-
Interest and fiscal charges	3,072,035	3,043,887	2,904,913	4,849,682
Total governmental activities expenses	197,867,099	202,901,909	212,212,267	212,496,870
Business type activities:				
Dayton International Airport	40,802,335	39,032,293	41,813,989	31,958,820
Water	44,674,367	45,200,207	45,401,676	45,811,605
Sewer	28,319,647	32,375,482	30,889,719	30,855,192
Golf	2,536,878	3,121,707	3,322,911	3,196,937
Storm Water	4,933,239	4,491,851	5,030,425	5,090,241
Total business-type activities expenses	121,266,466	124,221,540	126,458,720	116,912,795
Total primary government expenses	$ 319,133,565	$ 327,123,449	$ 338,670,987	$ 329,409,665
Program Revenues				
Governmental activities:				
Charges for services:				
Downtown	$ 517,512	$ 505,552	$ 704,984	$ 570,059
Youth, education and human services	20,593	17,994	19,333	40,322
Community development and neighbors	1,942,351	2,204,445	3,000,683	2,313,335
Economic development	2,092,562	1,179,367	1,328,746	1,161,369
Leadership and quality of life	5,693,276	4,380,757	4,251,275	5,128,446
Corporate responsibility	2,310,305	2,169,808	2,533,128	2,341,620
Public safety and justice	16,737,568	16,911,515	17,363,610	17,328,246
Other	573,462	979,787	1,129,885	27,277
Interest and fiscal charges	-	-	-	-
Operating grants and contributions	17,571,173	16,701,482	19,245,962	20,423,979
Capital grants and contributions	12,149,725	11,253,574	15,536,992	13,489,575
Total governmental activities program revenue	59,608,527	56,304,281	65,114,598	62,824,228
Business type activities:				
Charges for services:				
Dayton International Airport	40,174,905	41,820,112	39,311,221	31,067,418
Water	43,578,504	47,088,482	50,944,369	48,944,620
Sewer	27,796,918	32,379,198	31,322,099	30,398,157
Golf	2,931,243	3,295,321	3,353,732	3,291,376
Storm Water	6,698,328	4,898,132	6,663,178	6,688,476
Capital grants and contributions	18,926,901	15,408,247	15,058,562	21,316,626
Total business-type activities program revenue	140,106,799	144,889,492	146,653,161	141,706,673
Total primary government program revenue	$ 199,715,326	$ 201,193,773	$ 211,767,759	$ 204,530,901

2009	2010	2011 (1)	2012	2013	2014
$ 5,182,850	$ 5,159,078	$ 2,922,503	$ 3,894,895	$ 3,596,856	$ 3,973,957
2,264,862	2,514,310	2,395,344	1,058,361	2,904,850	3,499,722
21,342,171	26,843,290	32,086,879	31,880,468	27,516,705	22,225,850
14,263,940	8,432,763	10,105,180	9,492,689	15,682,768	13,940,292
47,091,889	41,299,206	40,275,561	35,672,811	42,108,488	42,943,946
17,707,683	16,832,625	15,884,692	15,225,815	16,027,649	14,189,753
95,706,450	96,284,218	94,294,723	93,120,303	93,221,162	90,511,356
-	-	-	-	-	-
-	-	-	693,878	-	195,142
3,620,502	3,978,196	4,556,429	2,767,292	2,958,434	2,608,301
207,180,347	201,343,686	202,521,311	193,806,512	204,016,912	194,088,319
40,310,513	30,688,222	32,572,362	36,571,471	40,954,651	41,476,361
45,672,640	46,619,869	47,618,625	44,084,645	46,445,617	46,245,372
31,994,865	30,931,209	32,420,315	29,765,334	31,515,981	29,448,754
3,281,384	3,026,601	2,922,959	3,123,360	2,956,261	2,957,656
5,401,928	6,389,207	6,177,790	4,997,022	5,312,757	5,480,442
126,661,330	117,655,108	121,712,051	118,541,832	127,185,267	125,608,585
$ 333,841,677	$ 318,998,794	$ 324,233,362	$ 312,348,344	$ 331,202,179	$ 319,696,904
$ 588,229	$ 629,749	$ 672,824	$ 531,072	$ 571,365	$ 572,477
7,618	7,092	8,674	11,032	17,205	7,965
2,289,894	2,240,217	3,106,283	2,547,442	3,456,330	3,017,823
1,438,105	4,317,785	1,997,277	2,445,796	3,446,864	6,401,968
4,411,912	6,136,336	5,673,292	5,001,134	6,942,907	13,688,808
2,853,032	2,452,413	3,118,657	2,518,064	2,667,492	2,850,358
17,398,578	18,243,867	22,027,599	23,624,400	21,385,906	25,704,452
-	-	-	-	-	-
-	-	-	-	-	158,829
24,147,823	33,479,834	35,387,609	34,438,364	24,584,286	25,909,216
25,771,047	17,935,099	12,849,894	12,626,114	11,761,088	7,184,234
78,906,238	85,442,392	84,842,109	83,743,418	74,833,443	85,496,130
30,655,950	25,673,711	23,644,457	24,508,791	24,723,701	26,454,375
47,743,750	49,318,157	43,529,551	45,700,719	44,291,334	47,702,941
30,998,739	32,558,557	30,119,740	33,115,458	30,245,346	32,034,019
3,250,241	3,180,466	2,946,618	3,123,224	2,997,480	2,874,737
7,083,455	7,213,504	5,264,927	7,383,856	7,345,250	7,330,340
17,098,233	18,967,012	14,064,510	10,436,869	13,857,011	7,939,351
136,830,368	136,911,407	119,569,803	124,268,917	123,460,122	124,335,763
$ 215,736,606	$ 222,353,799	$ 204,411,912	$ 208,012,335	$ 198,293,565	$ 209,831,893

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CITY OF DAYTON, OHIO

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

	2005	2006	2007	2008
Net (Expense)/Revenue				
Governmental activities	$ (138,258,572)	$ (146,597,628)	$ (147,097,669)	$ (149,672,642)
Business-type activities	18,840,333	20,667,952	20,194,441	24,793,878
Total primary government net expense	$ (119,418,239)	$ (125,929,676)	$ (126,903,228)	$ (124,878,764)
General Revenues and Other Changes in Net Assets/Position				
Governmental activities:				
Property taxes	$ 20,719,101	$ 21,788,008	$ 23,444,142	$ 24,167,118
Income taxes	112,169,475	117,876,441	113,785,961	108,868,331
Payments in lieu of taxes	-	-	-	-
Grants and entitlements	18,276,100	19,192,977	17,600,763	17,912,684
Investment earnings	3,383,886	5,084,176	7,064,009	5,340,622
Miscellaneous	3,644,141	2,862,437	7,547,653	11,889,101
Transfers	-	(61,500)	(239,196)	344,798
Total governmental activities general revenues	158,192,703	166,742,539	169,203,332	168,522,654
Business type activities:				
Investment earnings	1,537,561	3,640,943	4,894,727	2,764,220
Miscellaneous	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers	-	61,500	239,196	(344,798)
Total business-type activities	1,537,561	3,702,443	5,133,923	2,419,422
Total primary government	$ 159,730,264	$ 170,444,982	$ 174,337,255	$ 170,942,076
Changes in Net Assets/Position				
Governmental activities	$ 19,934,131	$ 20,144,911	$ 22,105,663	$ 18,850,012
Business-type activities	20,377,894	24,370,395	25,328,364	27,213,300
Total primary government	$ 40,312,025	$ 44,515,306	$ 47,434,027	$ 46,063,312

(1) The City implemented GASB Statements No. 63 and 65 in 2012.
Only balances after December 31, 2011 are presented in accordance with GASB Statement No. 63.

Source: City of Dayton financial records

2009	2010	2011 (1)	2012	2013	2014
$ (128,274,109)	$ (115,901,294)	$ (117,679,202)	$ (110,063,094)	$ (129,183,469)	$ (108,592,189)
10,169,038	19,256,299	(2,142,248)	5,727,085	(3,725,145)	(1,272,822)
$ (118,105,071)	$ (96,644,995)	$ (119,821,450)	$ (104,336,009)	$ (132,908,614)	$ (109,865,011)
$ 19,070,860	$ 18,798,224	$ 19,373,301	$ 10,055,324	$ 14,355,108	$ 12,918,102
99,817,917	98,399,957	100,129,761	100,336,653	101,967,172	103,721,834
-	1,426,155	669,323	1,076,054	1,406,710	1,771,683
14,827,230	16,327,237	19,159,472	14,833,540	15,376,160	15,529,135
1,311,141	1,960,831	1,945,150	1,931,883	1,241,997	1,722,766
4,673,485	5,123,860	1,199,153	3,848,415	4,167,506	3,453,599
(662,961)	5,298	368,339	354,169	-	(360,000)
139,037,672	142,041,562	142,844,499	132,436,038	138,514,653	138,757,119
716,568	101,215	236,896	557,911	113,372	485,592
-	-	13,509,995	10,757,208	11,564,565	12,044,998
-	-	-	-	-	-
662,961	(5,298)	(368,339)	(354,169)	-	360,000
1,379,529	95,917	13,378,552	10,960,950	11,677,937	12,890,590
$ 140,417,201	$ 142,137,479	$ 156,223,051	$ 143,396,988	$ 150,192,590	$ 151,647,709
$ 10,763,563	$ 26,140,268	$ 25,165,297	$ 22,372,944	$ 9,331,184	$ 30,164,930
11,548,567	19,352,216	11,236,304	16,688,035	7,952,792	11,617,768
$ 22,312,130	$ 45,492,484	$ 36,401,601	$ 39,060,979	$ 17,283,976	$ 41,782,698

CITY OF DAYTON, OHIO

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

	2005	2006	2007 (2)	2008 (2)
General Fund				
Nonspendable	$ -	$ -	$ -	$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,846,464	2,985,745	3,646,545	2,418,755
Unreserved, reported in:				
Designated for future years' expenditure:	3,573,236	6,949,009	8,284,213	10,172,634
Undesignated	36,132,638	27,407,200	30,035,615	31,002,915
Total general fund	$ 44,552,338	$ 37,341,954	$ 41,966,373	$ 43,594,304
Other Special Revenue				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Reserved	1,387,955	947,858	2,664,425	3,449,888
Unreserved (deficit), reported in:	6,821,975	9,976,403	8,307,519	8,226,916
Total other special revenue	$ 8,209,930	$ 10,924,261	$ 10,971,944	$ 11,676,804
Debt Service Fund				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Reserved	13,298,438	15,080,926	18,676,879	43,092,546
Total debt service fund	$ 13,298,438	$ 15,080,926	$ 18,676,879	$ 43,092,546
Capital Improvement Fund				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Reserved	14,836,284	22,459,015	30,413,308	27,221,279
Unreserved (deficit)	2,013,719	1,797,815	(12,394,589)	(10,819,429)
Total capital improvement fund	$ 16,850,003	$ 24,256,830	$ 18,018,719	$ 16,401,850
Other governmental Funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Reserved	32,669,118	32,270,832	29,372,979	28,917,903
Unreserved (deficit), reported in:				
Designated, special revenue funds	-	1,253,000	1,146,380	1,116,000
Special revenue funds	(14,757,901)	(18,389,902)	(12,982,580)	(14,876,682)
Permanent fund	58,896	67,805	79,836	60,413
Capital projects funds	(4,384,639)	(1,480,796)	-	-
Total governmental funds	$ 13,585,474	$ 13,720,939	$ 17,616,615	$ 15,217,634
Total Fund Balances, Governmental Funds	$ 96,496,183	$ 101,324,910	$ 107,250,530	$ 129,983,138

(1) The City implemented GASB Statement No. 54 in 2011.
Only balances after December 31, 2011 are presented in accordance with GASB Statement No. 54.

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

Source: City of Dayton financial records

2009	2010	2011 (1) (2)	2012 (2)	2013	2014
$ -	$ -	$ 9,695,165	$ 10,166,112	$ 10,556,945	$ 11,113,881
-	-	4,543,378	2,952,023	1,877,155	1,985,533
-	-	11,900,572	17,106,981	22,147,568	21,268,158
-	-	29,291,035	31,114,283	26,287,308	27,221,281
3,571,816	3,131,124	-	-	-	-
6,585,539	5,322,656	-	-	-	-
25,681,059	26,153,904	-	-	-	-
$ 35,838,414	$ 34,607,684	$ 55,430,150	$ 61,339,399	$ 60,868,976	$ 61,588,853
$ -	$ -	$ 476		$ -	$ 500
-	-	5,821,124	5,971,337	5,678,456	5,420,505
3,397,002	8,141,647	-	-	-	-
9,163,395	6,104,504				
$ 12,560,397	$ 14,246,151	$ 5,821,600	$ 5,971,337	$ 5,678,456	$ 5,421,005
$ -	$ -	$ 553	$ -	$ -	$ -
-	-	39,378,381	28,369,891	26,962,021	26,915,684
-	-	192,652	331,130	407,021	419,906
42,188,046	42,541,211	-	-	-	-
$ 42,188,046	$ 42,541,211	$ 39,571,586	$ 28,701,021	$ 27,369,042	$ 27,335,590
$ -	$ -	$ -	$ -	$ 6,563	$ -
-	-	4,758,591	10,424,439	8,427,005	15,704,146
-	-	5,026,521	8,436,236	9,591,625	8,310,682
-	-	11,243,145	6,790,703	8,885,969	8,203,654
26,133,688	28,184,390	-	-	-	-
(21,142,062)	(18,628,322)	-	-	-	-
$ 4,991,626	$ 9,556,068	$ 21,028,257	$ 25,651,378	$ 26,911,162	$ 32,218,482
$ -	$ -	$ 102,228	$ 103,727	$ 102,228	$ 102,228
-	-	11,128,174	10,856,667	8,104,755	11,755,537
46,929,773	76,695,945	-	-	-	-
398,848	-	-	-	-	-
(31,069,843)	(57,406,792)	-	-	-	-
76,302	70,250	-	-	-	-
-	-	-	-	-	-
$ 16,335,080	$ 19,359,403	$ 11,230,402	$ 10,960,394	$ 8,206,983	$ 11,857,765
$ 111,913,563	$ 120,310,517	$ 133,081,995	$ 132,623,529	$ 129,034,619	$ 138,421,695

CITY OF DAYTON, OHIO

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

	2005	2006	2007	2008
Revenues				
Taxes	$ 154,210,979	$ 159,082,912	$ 157,223,154	$ 152,514,608
Charges for services	22,898,740	22,083,074	24,051,832	23,926,449
Licenses and permits	1,903,063	1,750,262	1,861,236	1,817,153
Fines and forfeits	1,944,186	3,450,859	2,044,271	2,908,861
Intergovernmental	17,329,078	28,044,012	31,643,646	25,707,748
Special assessments	652,363	1,076,163	505,670	546,047
Payments in lieu of taxes	-	-	-	-
Investment income	3,483,518	5,131,388	7,393,303	4,286,751
Increase (decrease) in FMV of investments	-	-	-	599,485
Other	6,554,510	2,862,437	7,547,653	11,889,101
Total revenues	208,976,437	223,481,107	232,270,765	224,196,203
Expenditures				
Current:				
Downtown	4,093,181	4,183,009	4,651,014	4,604,197
Youth, education and human services	2,060,357	1,928,205	2,420,958	2,581,447
Community development and neighborhoods	19,230,564	18,959,062	21,016,004	20,981,602
Economic development	7,049,497	9,464,377	15,082,881	11,191,284
Leadership and quality life	40,423,448	37,073,237	36,925,472	41,676,303
Corporate responsibility	15,423,671	19,489,965	16,597,674	16,401,770
Public safety and justice	92,422,480	97,403,724	98,432,234	100,009,551
Other	2,544,612	1,107,606	1,377,348	685,888
Capital outlay	22,818,819	17,501,729	28,529,727	24,852,628
Debt service:				
Principal retirement	5,774,552	7,480,101	5,789,851	6,652,464
Interest and fiscal charges	3,097,330	3,076,308	2,884,154	4,707,848
Bond issuance costs	-	-	312,327	598,836
Total expenditures	214,938,511	217,667,323	234,019,644	234,943,818
Excess(deficiency) of revenues over expenditures	(5,962,074)	5,813,784	(1,748,879)	(10,747,615)
Other Financing Sources (Uses)				
Sale of capital assets	101,600	100,000	-	-
Transfers in	16,692,371	21,682,063	13,418,525	9,831,205
Transfers out	(16,732,871)	(21,843,563)	(13,757,721)	(9,556,407)
Bonds issued	-	-	19,745,000	32,000,000
Issuance of loans	-	-	-	239,750
Payment of refunded bond escrow agent	-	-	(10,383,734)	-
Premium (discount) on bond issuance	-	-	491,061	(348,901)
(Discount) on note issuance	-	-	-	-
Capital lease transactions	205,326	-	-	-
Total other financing sources (uses)	266,426	(61,500)	9,513,131	32,165,647
Net change in fund balance	$ (5,695,648)	$ 5,752,284	$ 7,764,252	$ 21,418,032
Capital expenditures	$ 21,930,329	$ 17,332,478	$ 27,702,620	$ 24,555,847
Debt service as a percentage of noncapital expenditures	4.60%	5.27%	4.20%	5.40%

Source: City of Dayton financial records

2009	2010	2011	2012	2013	2014
$ 139,011,038	$ 136,753,834	$ 134,006,534	$ 128,586,427	$ 131,413,081	$ 132,423,102
25,037,733	26,265,870	26,910,213	27,256,576	26,855,263	27,395,234
1,630,319	1,314,956	1,561,850	1,616,712	1,458,434	1,381,915
2,106,189	2,276,856	2,402,917	5,926,766	4,217,985	3,815,470
39,699,451	50,996,557	55,538,646	45,662,634	38,037,763	31,756,758
422,608	380,767	333,328	297,589	344,211	754,970
-	1,039,654	604,596	873,495	1,195,609	1,590,825
2,927,657	1,926,077	1,730,915	1,858,064	1,497,795	1,639,315
(1,085,864)	50,814	186,772	80,325	(240,888)	32,885
4,648,485	9,506,045	4,148,279	6,282,291	9,830,450	5,528,609
214,397,616	230,511,430	227,424,050	218,440,879	214,609,703	206,319,083
4,143,788	4,117,582	3,804,513	3,346,771	3,139,384	3,183,464
2,280,237	2,512,611	2,409,496	2,518,658	2,902,251	708,900
22,259,601	26,873,157	32,366,889	31,889,756	28,406,652	22,550,030
15,047,900	13,900,769	10,063,494	9,529,602	15,142,478	13,346,277
40,991,411	41,347,850	30,741,740	28,678,675	32,029,419	32,784,866
17,125,159	15,536,916	14,967,599	13,901,301	15,163,461	15,486,893
95,240,850	95,698,192	93,849,670	94,598,883	95,650,844	95,477,660
-	-	-	-	-	-
34,908,638	18,226,238	15,253,781	16,942,861	14,798,332	16,329,574
8,047,222	8,030,000	9,516,702	9,918,875	8,446,175	7,708,143
3,557,790	3,828,281	4,401,891	2,785,143	3,164,241	2,843,361
586,476	137,068	-	693,878	-	195,142
244,189,072	230,208,664	217,375,775	214,804,403	218,843,237	210,614,310
(29,791,456)	302,766	10,048,275	3,636,476	(4,233,534)	(4,295,227)
-	-	-	-	-	-
11,818,503	12,481,039	6,767,335	8,590,551	6,838,592	6,076,041
(12,678,413)	(12,488,042)	(6,455,775)	(8,168,518)	(6,750,939)	(6,318,132)
34,408,111	5,180,000	1,615,000	35,555,000	-	9,240,000
-	2,860,000	-	-	556,971	2,500,000
(22,528,097)	-	-	(35,364,951)	-	-
311,474	13,884	-	5,435,222	-	249,270
-	-	-	-	-	(60,196)
-	-	-	-	-	1,995,320
11,331,578	8,046,881	1,926,560	6,047,304	644,624	13,682,303
$ (18,459,878)	$ 8,349,647	$ 11,974,835	$ 9,683,780	$ (3,588,910)	$ 9,387,076
$ 39,799,258	$ 29,626,529	$ 18,744,758	$ 21,668,262	$ 16,716,779	$ 19,494,767
5.68%	5.91%	7.01%	6.58%	5.74%	5.52%

CITY OF DAYTON, OHIO

GROSS INCOME TAX REVENUE BY PAYER TYPE
LAST TEN FISCAL YEARS

Year	Withholding	% of withholding to total	Total Non-withholding	% of non-withholding to total	Total	Individual Accounts	% of individual to total	Business Accounts	% of Business to total	Total
2005	$ 100,076,600	85.80%	$ 16,567,146	14.20%	$ 116,643,746	$ 5,321,371	4.56%	$ 11,245,776	9.64%	$ 116,643,746
2006	102,033,754	86.79%	15,532,269	13.21%	117,566,023	4,962,179	4.22%	10,570,090	8.99%	117,566,023
2007	101,226,600	86.33%	16,034,631	13.67%	117,261,231	5,790,379	4.94%	10,244,253	8.74%	117,261,231
2008	96,917,767	85.31%	16,683,194	14.69%	113,600,961	5,041,787	4.44%	11,641,406	10.25%	113,600,961
2009	90,581,920	87.41%	13,048,061	12.59%	103,629,981	4,485,865	4.33%	8,562,196	8.26%	103,629,981
2010	87,502,256	86.64%	13,497,453	13.36%	100,999,709	4,073,345	4.03%	9,424,110	9.33%	100,999,709
2011	86,866,507	84.51%	15,915,982	15.49%	102,782,489	4,732,700	4.60%	11,183,282	10.88%	102,782,489
2012	89,759,346	86.27%	14,286,616	13.73%	104,045,962	4,129,840	3.97%	10,156,776	9.76%	104,045,962
2013	88,682,519	84.47%	16,301,796	15.53%	104,984,315	4,482,437	4.27%	11,819,358	11.26%	104,984,315
2014	89,661,242	84.68%	16,219,013	15.32%	105,880,255	4,323,182	4.08%	11,895,831	11.24%	105,880,255

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

	Budget Basis			GAAP (Modified Accrual Basis)		
Year	General Fund	Total	% Increase (Decrease)	General Fund	Total	% Increase (Decrease)
2005	$ 112,281,500	$ 112,281,500	3.49%	$ 112,824,119	$ 112,824,119	4.72%
2006	113,767,671	113,767,671	1.32%	112,619,532	112,619,532	-0.18%
2007	112,794,901	112,794,901	-0.86%	113,156,087	113,156,087	0.48%
2008	110,449,891	110,449,891	-2.08%	109,008,881	109,008,881	-3.67%
2009	100,430,248	100,430,248	-9.07%	99,831,456	99,831,456	-8.42%
2010	98,205,983	98,205,983	-2.21%	98,824,027	98,824,027	-1.01%
2011	99,668,943	99,668,943	1.49%	100,362,688	100,362,688	1.56%
2012	101,624,151	101,624,151	1.96%	100,450,896	100,450,896	0.09%
2013	101,934,268	101,934,268	2.27%	101,359,488	101,359,488	0.99%
2014	102,649,505	102,649,505	1.01%	103,916,809	103,916,809	3.45%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal year	Total tax levy	Current tax collections	Percent of levy collected	Delinquent tax collections (1)	Total tax collections	Percent of total tax collections to tax levy	Outstanding delinquent taxes	Percent of outstanding delinquent taxes to tax levy
				Montgomery County				
2005	$ 20,559,068	$ 19,464,064	94.67%	$ 2,004,760	$ 21,468,824	104.43%	$ 3,621,335	17.61%
2006	22,098,556	20,809,488	94.17%	2,343,469	23,152,957	104.77%	2,526,394	11.43%
2007	20,334,804	19,544,381	96.11%	1,998,653	21,543,034	105.94%	3,390,837	16.68%
2008	19,483,451	17,932,392	92.04%	1,661,231	19,593,623	100.57%	5,911,972	30.34%
2009	18,205,975	17,052,225	93.66%	1,195,497	18,247,722	100.23%	4,700,112	25.82%
2010	17,867,159	16,460,622	92.13%	957,426	17,418,048	97.49%	5,879,954	32.91%
2011	16,976,964	15,321,147	90.25%	890,712	16,211,859	95.49%	6,723,836	39.61%
2012	15,724,338	13,342,279	84.85%	982,606	14,324,885	91.10%	6,590,787	41.91%
2013	15,270,433	13,344,519	87.39%	895,002	14,239,521	93.25%	7,927,702	51.92%
2014	15,459,902	13,432,271	86.88%	1,136,015	14,568,286	94.23%	8,043,185	52.03%

(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

		Real Property		Personal Property (1)		Public Utilities	
Tax year	For	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value
				Montgomery County			
2005	2006	$ 1,788,313,190	N/A	$ 220,535,502	N/A	$ 96,908,670	N/A
2006	2007	1,769,490,590	5,112,178,829	169,588,051	1,176,189,344	94,401,800	54,216,988
2007	2008	1,767,313,000	5,049,465,714	107,769,573	1,356,704,408	73,262,480	188,151,369
2008	2009	1,732,074,470	4,948,784,200	13,367,820	213,885,120	75,155,200	193,012,218
2009	2010	1,710,322,150	4,886,634,714	2,088,420	20,884,200	74,305,290	190,829,495
2010	2011	1,688,719,230	4,824,912,086	-	-	77,611,120	199,709,660
2011	2012	1,492,173,530	4,091,911,043	-	-	80,260,280	220,093,655
2012	2013	1,441,010,830	4,117,173,800	-	-	86,032,460	221,379,468
2013	2014	1,451,672,070	4,147,634,486	-	-	94,318,140	242,685,716
2014	2015	1,323,254,870	3,780,728,200	-	-	97,514,790	250,914,681

Source: County Auditor; Montgomery County, Ohio

N/A - Information not available

(1) - Tangible personal property tax was phased out beginning in 2007

Total			Percent of total assessed to total estimated actual value
Assessed value	Total direct tax rate	Estimated actual value	
$ 2,105,757,362	$ 10	$ 6,171,703,279	34.12%
2,033,480,441	10.00	6,125,085,429	33.20%
1,948,345,053	10.00	6,594,321,491	29.55%
1,820,597,490	10.00	5,355,681,538	33.99%
1,786,715,860	10.00	5,098,348,409	35.04%
1,766,330,350	10.00	5,024,621,746	35.15%
1,572,433,810	10.00	4,312,004,698	36.47%
1,527,043,290	10.00	4,338,553,268	35.20%
1,545,990,210	10.00	4,390,320,202	35.21%
1,420,769,660	10.00	4,031,642,881	35.24%

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		
Fiscal Year	Debt Service Fund	Judgement Trust Fund	Street Maintenance Fund	Total	Capital Improvement Fund	Debt Service Fund	General	Total
				Montgomery County				
2005	$ 1.17	-	$ 0.33	$ 1.50	-	$ 3.50	$ 5.00	$ 8.50
2006	0.40	-	-	0.40	-	4.60	5.00	9.60
2007	0.40	-	-	0.40	-	4.60	5.00	9.60
2008	0.40	-	-	0.40	-	4.60	5.00	9.60
2009	0.40	-	-	0.40	-	4.60	5.00	9.60
2010	0.40	-	-	0.40	-	4.60	5.00	9.60
2011	0.40	-	-	0.40	-	4.60	5.00	9.60
2012	0.40	-	-	0.40	-	4.80	4.80	9.60
2013	0.40	-	-	0.40	-	5.00	4.60	9.60
2014	0.40	-	-	0.40	-	5.10	4.50	9.60

(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

City of Dayton

Grand Total (1)	Dayton City School District	Montgomery County	Montgomery County Public Library
$ 10.00	$ 70.85	$ 18.24	$ 0.26
10.00	70.85	18.24	1.25
10.00	70.85	20.25	1.25
10.00	75.75	20.94	1.25
10.00	75.75	20.94	1.75
10.00	76.52	20.94	1.75
10.00	77.52	20.94	1.75
10.00	79.85	20.94	3.31
10.00	79.85	20.94	3.31
10.00	79.85	21.94	3.31

CITY OF DAYTON, OHIO

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2014			Fiscal Year 2005		
Taxpayer	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	$ 83,485,020	1	5.88%	$ 45,061,890	1	2.14%
Vectren Energy Delivery	12,933,170	2	0.91%	9,742,040	8	0.46%
KND Real Estate 29 LLC	6,551,310	3	0.46%			
Dayton Hotel II LLC	5,171,320	4	0.36%			
Miami Valley Hospital	4,380,130	5	0.31%			
DUCRU SPE LLC	3,953,770	6	0.28%			
Titan Loan Investment Fund LP	3,643,960	7	0.26%			
Cloud Park Apartment	3,620,670	8	0.25%			
Premier Plaza LP	3,567,170	9	0.25%			
Cargill Inc.	3,353,880	10	0.24%			
Delphi Automotive Systems Corporation				28,184,910	2	1.34%
NCR				27,332,800	3	1.30%
Ohio Bell Telephone Company				20,476,260	4	0.97%
Behr Dayton Thermal				17,307,270	5	0.82%
Arts Center Foundation				16,082,190	6	0.76%
Dayton Heart Hospital				10,020,610	7	0.48%
Reynolds and Reynolds				8,209,400	9	0.39%
Marriott International				7,490,000	10	0.36%
Total	$ 130,660,400		9.20%	$ 189,907,370		9.02%

Source: County Auditor; Montgomery, County, Ohio

CITY OF DAYTON, OHIO

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Current Assements Due (1) (3)	Current Assessment Collected (1)	Percent of Current Collections to Current Assessments	Delinquent Assessments Collected	Total Assessments Collected	Percent of Total Assessments Collected to Current Due (2)
2005	$ 1,838,846	$ 763,031	41.50%	$ 138,406	$ 901,437	49.02%
2006	2,439,603	1,529,084	62.68%	741,577	2,270,661	93.08%
2007	2,339,548	2,023,233	86.48%	815,408	2,838,641	121.33%
2008	3,065,046	2,195,831	71.64%	419,295	2,615,126	85.32%
2009	3,404,912	1,829,865	53.74%	330,272	2,160,137	63.44%
2010	3,599,298	1,799,212	49.99%	260,117	2,059,329	57.21%
2011	4,432,302	2,280,991	51.46%	302,809	2,583,800	58.29%
2012	6,257,674	2,027,236	32.40%	277,857	2,305,093	36.84%
2013	4,727,901	2,010,113	42.52%	537,153	2,547,266	53.88%
2014	4,727,901	1,916,141	40.53%	498,060	2,414,201	51.06%

(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.

(3) Current Assessments Due increased in 2012 as a result of weed, nuisance and delinquent utility assessments

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

Source: County Auditor; Montgomery County, Ohio

CITY OF DAYTON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities								
Fiscal Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Ohio Department of Development Loan	Capital Lease Obligations	General Obligation Notes	OPWC Loans	SIB Loans	SIB Bonds
2005	$ 54,962,646	$ 10,955,000	$ 977,100	$ -	$ 3,255,561	$ -	$ -	$ -	$ -
2006	49,727,772	9,500,000	753,500	-	2,612,121	-	-	-	-
2007	54,900,224	9,015,000	555,600	-	1,995,000	-	-	-	-
2008	49,441,334	40,500,000	409,600	-	1,494,000	-	208,176	-	-
2009	56,284,054	39,925,000	299,500	-	-	-	197,334	-	-
2010	52,818,927	40,650,000	211,800	2,860,000	-	-	175,161	-	-
2011	46,884,969	38,780,000	136,900	2,860,000	-	-	152,317	-	-
2012	49,149,087	33,923,806	63,100	2,860,000	-	-	128,782	-	-
2013	42,465,128	31,886,369	23,200	2,860,000	-	-	661,507	-	-
2014	42,556,962	29,758,933	-	2,860,000	1,995,320	-	617,964	2,500,000	3,419,608

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 2011 and 2012 are not available.

Business-Type Activities									
General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	Capital Lease Obligations	General Obligation Notes	Total Primary Government	Personal Income (1)	Percentage of Personal Income	Per Capita
$ 2,292,354	$ 80,210,000	$ 21,005,877	$ 750,000	$ 132,516	$ 6,675,000	$ 181,216,054	$ 26,452,240,000	0.69%	$ 1,131
2,087,228	70,730,000	17,624,367	700,000	67,630	6,715,000	160,517,618	27,693,775,000	0.58%	1,010
1,874,776	39,185,000	15,055,215	650,000	-	3,285,000	126,515,815	28,596,630,000	0.44%	796
1,653,666	38,095,000	11,774,364	600,000	-	1,885,000	146,061,140	29,736,127,000	0.49%	932
12,195,946	36,980,000	11,118,492	550,000	-	485,000	158,035,326	29,436,435,000	0.54%	1,025
11,591,073	35,825,000	10,437,177	500,000	-	-	155,069,138	30,220,395,000	0.51%	1,094
10,860,031	34,625,000	9,888,914	450,000	-	-	144,638,131	N/A	N/A	1,020
41,031,571	33,265,591	9,175,000	400,000	-	-	169,996,937	N/A	N/A	1,199
38,888,600	31,953,977	8,433,383	350,000	-	-	157,522,164	N/A	N/A	1,099
36,525,000	30,776,093	7,662,986	300,000	648,196	-	159,621,062	N/A	N/A	1,113

CITY OF DAYTON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
Assesed Value (2)	$ 2,105,757,362	$ 2,033,480,441	$ 1,948,345,053	$ 1,820,597,490
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	221,104,523	213,515,446	204,576,231	191,162,736
Total Voted and Unvoted Debt Outstanding	176,184,321	157,837,860	124,821,234	144,393,875
Less: Exempt Debt				
Airport General Obligation Bonds and Notes	(6,675,000)	(6,715,000)	(3,430,000)	(1,885,000)
Airport Revenue Bonds	(67,639,245)	(64,350,209)	(39,007,904)	(37,921,735)
Water General Obligation Bonds (3)	-	-	-	-
Sewer General Obligation Bonds (3)	-	-	-	-
Special Assessment Bonds and Notes	(977,100)	(753,500)	(555,600)	(409,600)
Economic Development Bonds	(10,955,000)	(9,500,000)	(9,015,000)	(40,500,000)
Total Exempt Debt	(86,246,345)	(81,318,709)	(52,008,504)	(80,716,335)
Total Debt Applicable to Limitation - Within 10.5% Limitations	89,937,976	76,519,151	72,812,730	63,677,540
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	(5,435,549)	(7,777,979)	(16,499,004)	(15,943,399)
Net Debt Within 10.5% Limitation	84,502,427	68,741,172	56,313,726	47,734,141
Overall Debt Margin Within 10.5% Limitations	$ 136,602,096	$ 144,774,274	$ 148,262,505	$ 143,428,595
Unvoted Debt Limitation - 5.5% of Assessed Valuation	$ 115,816,655	$ 111,841,424	$ 107,158,978	$ 100,132,862
Debt Within 5.5% Limitations	89,937,976	76,519,151	72,812,730	63,677,540
Less Amount Available in Debt Service Fund	(5,435,549)	(7,777,979)	(16,499,004)	(15,943,399)
Net Debt Within 5.5% Limitation	84,502,427	68,741,172	56,313,726	47,734,141
Unvoted Debt Margin Within 5.5% Limitation	$ 31,314,228	$ 43,100,252	$ 50,845,252	$ 52,398,721

Source: City of Dayton financial records

(1) Airport and Waterworks revenue bonds are shown on the balance sheet net of a discount and unamortized deferred charges. For 2014, this amount was $842,678

(2) Assessed valutions have been revised to agree with the assessed valution by each tax year as provided by the Montgomery County Auditor.

(3) Water and Sewer general obligation bonds are exempt debt.

2009	2010	2011	2012	2013	2014
$ 1,786,715,860	$ 1,766,330,350	$ 1,572,433,810	$ 1,527,043,290	$ 1,545,990,210	$ 1,420,769,660
187,605,165	185,464,687	165,105,550	160,339,545	162,328,972	149,180,814
158,035,326	155,069,138	144,638,131	169,996,937	157,522,164	159,621,062
(11,305,000)	(10,470,000)	(10,115,000)	(9,750,000)	(9,375,000)	(8,990,000)
(36,810,567)	(35,659,399)	(34,462,592)	(33,265,591)	(32,090,000)	(30,232,678)
-	-	-	(15,300,000)	(14,520,000)	(13,630,000)
-	-	-	(15,600,000)	(14,805,000)	(13,905,000)
(299,500)	(211,800)	(136,900)	(63,100)	(23,200)	-
(39,925,000)	(40,650,000)	(38,780,000)	(32,235,000)	(30,305,000)	(28,285,000)
(88,340,067)	(86,991,199)	(83,494,492)	(106,213,691)	(101,118,200)	(95,042,678)
69,695,259	68,077,939	61,143,639	63,783,246	56,403,964	64,578,384
(15,536,249)	(17,092,706)	(14,927,743)	(10,776,956)	(10,184,042)	(10,965,590)
54,159,010	50,985,233	46,215,896	53,006,290	46,219,922	53,612,794
$ 133,446,155	$ 134,479,454	$ 118,889,654	$ 107,333,255	$ 116,109,050	$ 95,568,020
$ 98,269,372	$ 97,148,169	$ 86,483,860	$ 83,987,381	$ 85,029,462	$ 78,142,331
69,695,259	68,077,939	61,143,639	63,783,246	56,403,964	64,578,384
(15,536,249)	(17,092,706)	(14,927,743)	(10,776,956)	(10,184,042)	(10,965,590)
54,159,010	50,985,233	46,215,896	53,006,290	46,219,922	53,612,794
$ 44,110,362	$ 46,162,936	$ 40,267,964	$ 30,981,091	$ 38,809,540	$ 24,529,537

CITY OF DAYTON, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (3)	Assessed value (2)	Gross general bonded debt (1)	Less: Amounts available in Debt Service Fund (4)	Net general bonded debt (1)	Ratio of net general bonded debt to assessed value	Net general bonded debt per capita
2005	160,293	$ 2,105,757,362	$ 57,255,000	$ 5,435,549	$ 51,819,451	2.46%	$ 323
2006	158,873	2,033,480,441	51,815,000	7,777,979	44,037,021	2.17%	$ 277
2007	158,873	1,948,345,053	56,775,000	11,950,293	44,824,707	2.30%	$ 282
2008	156,771	1,820,597,490	51,095,000	15,943,399	35,151,601	1.93%	$ 224
2009	154,200	1,786,715,860	68,480,000	15,536,249	52,943,751	2.96%	$ 343
2010	141,759	1,766,330,350	64,410,000	17,092,706	47,317,294	2.68%	$ 334
2011	141,759	1,572,433,810	57,745,000	14,927,743	42,817,257	2.72%	$ 302
2012	141,759	1,527,043,290	90,180,658	9,583,585	80,597,073	5.28%	$ 569
2013	143,355	1,545,990,210	81,353,728	10,184,042	71,169,686	4.60%	$ 496
2014	143,355	1,420,769,660	79,081,962	10,965,590	68,116,372	4.79%	$ 475

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

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

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

(4) Debt Service Fund fund balance does not include assigned for encumbrances, advances or loans receivable

CITY OF DAYTON, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Bond issuance costs	Total debt service	Total general governmenal expenditures	Ratio of debt service to total general governmental expenditures
2005	$ 8,774,552	$ 3,097,330	$ -	$ 11,871,882	$ 217,938,511	5.45%
2006	7,480,101	3,076,308	-	10,556,409	217,667,323	4.85%
2007	5,789,851	2,884,154	312,327	8,986,332	234,019,644	3.84%
2008	6,652,464	4,707,848	598,836	11,959,148	234,943,818	5.09%
2009	8,047,222	3,557,790	586,476	12,191,488	244,189,072	4.99%
2010	8,030,000	3,828,281	137,068	11,995,349	230,208,664	5.21%
2011	9,516,702	4,401,891	-	13,918,593	217,375,775	6.40%
2012	9,918,875	2,785,143	693,878	13,397,896	214,804,403	6.24%
2013	8,446,175	3,164,241	-	11,610,416	218,843,237	5.31%
2014	7,708,143	2,843,361	195,142	10,746,646	210,614,310	5.10%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2014

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 and 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, 2014.

Political subdivision of State of Ohio	Debt Outstanding	Percentage applicable to Dayton	Amount applicable to Dayton
Direct			
City of Dayton	$ 159,621,062	100.00%	$ 159,621,062
Total Direct Debt	159,621,062		159,621,062
Overlapping			
Montgomery County	40,798,567	15.74%	6,420,234
Dayton Metro Library District	174,480,000	19.99%	34,878,552
Dayton City School District	176,735,000	83.92%	148,316,012
Miami Valley Career Center	6,160,000	2.28%	140,448
Greene County Career Center	50,002	0.53%	265
Vandalia Butler City School District	49,429,129	2.51%	1,240,671
Mad River Local School District	7,650,000	23.22%	1,776,330
Huber Heights City School District	75,120,000	11.67%	8,766,504
Trotwood-Madison City School District	29,407,992	4.03%	1,185,142
Fairborn City School District	13,005,000	3.48%	452,574
Northridge Local School District	4,520,000	31.90%	1,441,880
Total Overlapping Debt	577,355,690		204,618,612
Total Direct and Overlapping Debt	$ 736,976,752		$ 364,239,674

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	
2005	$ 7,965,366	$ 3,483,808	$ 1,333,562	$ 4,817,370	1.65
2006	7,947,706	3,381,510	1,101,749	4,483,259	1.77
2007	8,480,924	3,257,274	882,616	4,139,890	2.05
2008	7,661,321	3,280,851	675,575	3,956,426	1.94
2009	7,262,150	655,872	463,620	1,119,492	6.49
2010	9,596,696	681,315	438,177	1,119,492	8.57
2011	7,850,586	548,263	406,141	954,404	8.23
2012	10,831,537	713,914	373,672	1,087,586	9.96
2013	8,304,330	741,617	345,967	1,087,584	7.64
2014	9,687,415	770,397	317,188	1,087,585	8.91

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense, interest revenue and the fair market value adjustment.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

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	
2005	$ 12,196,929	$ 3,005,000	$ 3,085,715	$ 6,090,715	2.00
2006	16,742,217	3,630,000	2,813,589	6,443,589	2.60
2007	16,112,888	3,750,000	3,062,695	6,812,695	2.37
2008	11,735,966	1,090,000	1,894,488	2,984,488	3.93
2009	6,230,427	1,115,000	1,860,958	2,975,958	2.09
2010	10,544,858	1,155,000	1,823,404	2,978,404	3.54
2011	13,284,695	1,200,000	1,780,969	2,980,969	4.46
2012	9,162,019	1,245,000	1,733,902	2,978,902	3.08
2013	6,342,789	1,290,000	1,683,228	2,973,228	2.13
2014	8,233,042	1,350,000	1,628,664	2,978,664	2.76

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense and interest revenue. Also included in this calculation is the portion of Passenger Facility Charges (PFC) which were used for payment of debt service charges and all Customer Facility Charges (CFC). For 2007 and 2008, no PFC were used for payment of debt service charges. In 2012, bond proceeds of $2,591,965 were included, as the project was completed and excess proceeds were used for debt service.

(2) Debt service requirements are exclusive of refunding transactions and additional principal payments made to retire bonds.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

BUSINESS INDICATORS
LAST TEN FISCAL YEARS

Year	Square Mile Area City of Dayton Year End (1)	Air Passengers (2)	Scheduled Airline Freight (2)
2005	56 (+/-)	2,438,210	370,329
2006	56 (+/-)	2,607,167	166,613
2007	56 (+/-)	2,833,081	10,455
2008	56 (+/-)	2,928,018	9,471
2009	56 (+/-)	2,506,271	10,388
2010	56 (+/-)	2,526,839	8,092
2011	56 (+/-)	2,528,856	8,549
2012	56 (+/-)	2,607,528	10,069
2013	56 (+/-)	2,503,961	7,819
2014	56 (+/-)	2,282,211	9,132

Year	Active Gas Meters (3)	Vehicle Registrations (4)
2005	84,458	120,623
2006	88,573	130,190
2007	81,606	123,640
2008	80,900	106,186
2009	80,233	102,921
2010	79,508	122,513
2011	78,753	123,008
2012	78,140	122,573
2013	77,647	116,811
2014	77,369	120,939

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

Year	Square miles at December 31
1955	27
1960	34
1965	36
1970	40
1975	43
1980	54
1985	55
1990	55
1995	56
2000	56
2005	56
2010	56.5
2011	56.5
2012	56.5
2013	56.5
2014	56.5

Source: Division of Planning City of Dayton

CITY OF DAYTON, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2014			Fiscal Year 2005		
Employer	Employees	Rank	Percentage of Total Dayton Labor Force	Employees	Rank	Percentage of Total Dayton Labor Force
Premier Health Partners (1)	13,500	1	22.88%			
Kettering Health Network (2)	7,115	2	12.06%			
Montgomery County	4,328	3	7.34%	5,082	2	11.05%
Sinclair Community College	2,601	4	4.41%	2,029	6	4.41%
University of Dayton	2,990	5	5.07%	1,750	9	3.80%
Dayton Public Schools	2,102	6	3.56%	3,143	3	6.83%
Veterans Administration	2,060	7	3.49%	1,700	10	3.69%
Childrens Medical Hospital	1,945	8	3.30%	2,739	4	5.95%
City of Dayton	1,850	9	3.14%			
CareSource	1,400	10	2.37%			
Delphi Automotive Systems Corporation				7,847	1	17.06%
NCR Corporation				2,700	5	5.87%
Behr Dayton Thermal Products				2,000	8	4.35%
Frisch's Restaurant Inc.				2,000	7	4.35%
Total	39,891		67.61%	30,990		67.36%

Source: Dayton Business Journal

(1) Premier Health Partners includes Miami Valley Hospital and Good Samaritan Hosptial

(2) Kettering Health Network includes Grandview Hospital

CITY OF DAYTON, OHIO

ESTIMATED CIVILIAN LABOR FORCE
AND ANNUAL AVERAGE UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS

	Montgomery County		Dayton		Ohio		U.S.
Year	Labor Force	Unemployment rate	Labor force	Unemployment rate	Labor force	Umployment rate	Unemployment rate
2005	272,200	6.40%	71,200	7.60%	5,900,400	7.60%	5.90%
2006	271,900	6.05%	71,000	8.30%	5,839,200	5.37%	4.60%
2007	275,200	6.20%	71,500	7.20%	5,976,500	5.60%	4.60%
2008	270,500	8.40%	70,000	9.40%	5,954,200	7.60%	5.80%
2009	267,234	11.40%	69,188	12.60%	5,970,188	10.20%	9.30%
2010	261,705	10.10%	67,763	11.30%	5,897,559	10.10%	9.60%
2011	257,589	9.40%	61,108	11.00%	5,806,467	8.60%	8.90%
2012	252,888	7.00%	59,558	7.90%	5,747,885	7.20%	8.10%
2013	249,000	8.00%	59,000	9.40%	5,766,000	7.40%	7.40%
2014	250,300	6.00%	59,100	7.10%	5,719,000	5.70%	6.20%

Source: State of Ohio Labor Market Information

CITY OF DAYTON, OHIO

ESTIMATED PER CAPITA INCOME AND PERSONAL INCOME
LAST TEN FISCAL YEARS

	Dayton (MSA)			Montgomery County		Ohio		United States
Year	Per capita income	% of national average	Total personal income	Per capita income	% of national average	Per capita income	% of national average	Per capita income
2005	$ 31,792	92.16%	$ 5,096,035,056	32,133	93.15%	31,867	92.38%	34,495
2006	33,195	90.42%	$ 5,273,789,235	33,658	91.68%	33,320	90.76%	36,714
2007	34,314	88.87%	$ 5,451,568,122	34,732	89.95%	34,874	90.32%	38,611
2008	34,724	87.35%	$ 5,443,716,204	34,715	87.33%	35,511	89.33%	39,751
2009	34,943	89.28%	$ 5,388,210,600	35,669	91.14%	35,381	90.40%	39,138
2010	35,886	88.42%	$ 5,087,163,474	36,302	89.45%	36,395	89.68%	40,584
2011	37,410	89.79%	$ 5,303,204,190	37,684	90.45%	37,791	90.71%	41,663
2012	39,891	89.56%	$ 5,654,908,269	39,795	89.34%	40,057	91.59%	43,735
2013	40,353	91	5,720,400,927	40,150	90.14%	40,865	91.74%	44,543
2014	N/A	N/A	N/A	N/A	N/A	42,571	92.29%	46,129

Source: Bureau of Economic Analysis

N/A - Information not available

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	2005	2006	2007	2008	2009
Total	**409.4**	**408.2**	**408.2**	**396.2**	**372.6**
Goods-Producing Industries	**73.8**	**71.7**	**67.8**	**60.6**	**50.6**
Natural Resources, Mining and Construction	15.4	15.2	14.7	13.7	11.6
Manufacturing	58.4	56.5	53.1	46.9	39.0
Service-Providing Industries	**335.7**	**336.5**	**335.6**	**335.6**	**322.0**
Trade, Transportation, and Utilities	71.1	70.0	68.7	67.0	63.1
Information	11.1	10.6	10.9	12.1	11.0
Financial Activies	19.0	20.1	20.1	18.6	16.8
Professional and Business Services	52.3	52.3	52.2	51.7	45.5
Educational and Health Services	63.7	64.7	65.8	68.9	68.7
Leisure and Hospitality	37.3	37.8	37.3	37.2	36.3
Other Services	16.7	16.4	16.0	15.5	14.9
Government	64.5	64.8	64.5	64.6	65.6

(1) Dayton Metropolitan Statistical Area includes Greene, Miami, Montgomery, and Preble Counties.

(2) Nonagricultural employment excludes farm workers, proprietors, the self-employed, unpaid family workers, and domestic workers.

Source: Bureau of Labor Market Information and Ohio Department of Job and Family Services

2010	2011	2012	2013	2014	Percentage of Total 2014 employment
370	**376.1**	**378.1**	**376.5**	**371.9**	**100%**
49.4	**51.2**	**52.6**	**52.7**	**50.6**	**13.6%**
10.9	11.1	11.4	11.4	11.7	3.2%
38.5	40.1	41.2	41.3	39.0	10.5%
320.1	**324.9**	**325.5**	**323.7**	**321.3**	**86.4%**
61.4	62.4	64.6	64.9	64.4	17.3%
10.5	9.8	8.9	8.7	8.5	2.3%
16.5	17.0	17.3	17.3	17.3	4.7%
45.6	48.3	48.7	47.5	48.6	13.1%
69.0	69.9	70.2	69.8	70.2	18.9%
36.2	37.0	37.1	36.9	37.2	10.0%
15.2	15.1	14.7	15.1	14.0	3.8%
65.6	65.4	64.0	63.5	61.1	16.4%

CITY OF DAYTON, OHIO

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

Function/Program	2005	2006	2007 (1)	2008	2009	2010 (2)	2011	2012	2013	2014
Governmental activities:										
Downtown	34	29	36	34	32	16	15	14	15	15
Youth, education and human services	3	3	4	1	1	-	1	1	1	1
Community development and neighbors	174	168	131	139	170	132	136	134	130	128
Economic development	40	39	45	43	42	35	33	26	30	32
Leadership and quality of life	299	281	421	368	251	143	184	178	171	303
Corporate responsibility	169	164	187	178	163	137	133	134	137	133
Public safety and justice	1,056	1,072	1,134	1,118	1,056	943	863	866	868	864
Business-type activities:										
Dayton International Airport	178	175	180	160	145	128	133	138	140	144
Water	253	242	257	260	267	245	237	218	232	164
Sewer	122	120	142	134	141	113	110	109	113	70
Golf	17	19	86	70	66	15	16	15	14	14
Storm Sewer	124	124	144	143	134	89	89	89	83	66
Total Full-Time Equivalent (FTE)	2,469	2,436	2,767	2,648	2,468	1,996	1,950	1,922	1,934	1,934

Source: City of Dayton ITS and Manangement & Budget

(1) - Starting in 2007 the City included both Fulltime and Parttime employees in the calculation so that the total would match the number of employees on record.
(2) - 2010 represents current employment at year-end

CITY OF DAYTON, OHIO

SCHOOL ENROLLMENT TRENDS IN MONTGOMERY COUNTY
LAST TEN FISCAL YEARS

Year	The University of Dayton (1)	Wright State University (2)	Sinclair Community College (3)	Total Colleges/ Universities	Dayton Public Schools (4)
2005	10,569	17,074	22,555	50,198	15,972
2006	10,503	16,870	22,786	50,159	17,054
2007	10,395	16,913	22,443	49,751	14,963
2008	10,920	17,662	23,259	51,841	14,486
2009	10,908	17,558	25,249	53,715	14,939
2010	11,214	18,447	25,942	55,603	15,122
2011	10,776	18,304	25,223	54,303	15,166
2012	11,186	17,789	23,641	52,616	14,515
2013	10,857	17,595	22,884	51,336	14,505
2014	11,368	17,779	21,358	50,505	14,013

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, 2014

Jurisdiction	Square Miles
Dayton	56
Less portion outside of Montgomery County.	
Other incorporated areas in Montgomery County excluding Dayton	174
Unincorporated Townships within Montgomery County	233
Total approximate area of Montgomery County	463

Source: Division of Planning City of Dayton (County Land Records)

CITY OF DAYTON, OHIO

BUILDING PERMITS ISSUED
LAST TEN FISCAL YEARS

	New Construction	
Year	Permits issued (1)	Valuation (1)
2005	957	$ 135,844,107
2006	948	106,199,962
2007	843	135,523,498
2008	757	76,613,598
2009	793	111,538,280
2010	627	61,926,890
2011	624	76,837,017
2012	976	110,167,787
2013	1,020	71,059,409
2014	611	86,836,950

Source: (1) City of Dayton Divison of Business Services, Permit Section

CITY OF DAYTON, OHIO

AVERAGE COST OF HOUSING CONSTRUCTION
LAST TEN FISCAL YEARS

Year	Units	Total Permit Value	Single-family average structure cost	% Change from previous year	% Change from 2004
2005	215	$ 25,306,493	$ 117,705	-0.70%	-0.70%
2006	186	19,292,702	103,724	-11.88%	-12.49%
2007	134	12,431,781	92,774	-10.56%	-21.73%
2008	150	11,491,562	76,610	-17.42%	-35.37%
2009	123	11,114,593	90,363	17.95%	-23.76%
2010	27	3,823,530	141,612	56.72%	19.47%
2011	90	9,516,794	105,742	17.02%	-10.79%
2012	153	13,518,608	88,357	-16.44%	-25.46%
2013	44	3,459,005	78,614	-11.03%	-33.68%
2014	7	629,989	89,998	14.48%	-24.07%

Source: Census Bureau

CITY OF DAYTON, OHIO

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Service										
Highways and Streets										
Streets (miles) **	855	967	969	1,718	1,718	1,718	1,718	1,718	1,718	1,718
Streetlights	23,421	18,650	18,650	20,163	20,163	20,252	20,235	20,391	20,427	19,720
Traffic Signals	N/A	325	325	325	325	325	313	313	314	320
Computerized Signals	N/A	178	225	275	275	275	275	275	314	320
Public Safety										
Police										
Headquarters	1	1	1	1	1	1	1	1	1	1
Training Academy	1	1	1	1	1	1	1	1	1	1
Number of Districts	5	5	5	5	5	5	5	5	5	5
Number of Employees	414	506	512	505	474	455	385	413	409	405
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	366	385	383	379	346	341	332	308	314	318
City Fleet (public safety)										
Fire	N/A	101	99	96	97	94	99	108	84	88
Police	393	288	354	354	307	320	324	314	304	289
Recreation and parks										
Parks Acreage	1,400	1,389	1,389	1,389	1,374	1,374	1,374	1,374	1,374	1,374
Playgrounds	49	49	49	49	42	42	42	42	42	42
Total Facilities *	182	186	221	205	184	181	181	180	180	169
Parks	72	72	72	62	60	60	60	60	60	60
Swimming Pools	14	19	8	3	4	5	4	4	4	4
Tennis Courts	22	22	65	65	63	63	63	63	63	50
Community Centers	10	9	2	2	-	3	3	3	3	3
Senior Centers	2	2	1	1	1	1	-	-	-	-
Athletic Complexes	2	2	2	2	2	2	2	2	2	2
Specialized Facilities	4	4	1	1	-	-	-	-	1	1
Shelter Houses	53	53	53	53	37	37	37	37	37	36
Golf Courses	3	3	3	3	3	3	3	3	3	3
Spray Park Facilities	N/A	N/A	7	7	6	6	7	7	7	7
Recreation Centers	N/A	N/A	4	4	5	-	-	-	-	3
Cultural Centers	N/A	N/A	2	1	2	-	1	1	1	1
Teen Centers	N/A	N/A	1	1	1	1	1	-	-	-
Water										
Water Mains (miles)	799.00	800.28	803.07	803.33	804.29	806.12	807.03	806.61	807.03	807.03
Maximum Daily Capacity (millions of gallons)	51.30	50.30	51.60	46.53	43.79	43.82	43.21	44.30	41.00	42.00
Sewer										
Sanitary Sewers (miles)	600.00	601.28	601.39	602.85	603.11	603.05	603.18	603.27	603.40	603.40
Storm Sewers (miles)	401.00	402.28	402.85	403.35	403.61	403.62	403.67	403.67	403.67	403.67
Maximum Daily Capacity (millions of gallons)	36.03	37.56	35.97	35.06	32.61	33.72	33.03	29.80	28.69	28.33

Source: Various Departments, City of Dayton
* 2008-2013 Recreation facilities include only those that were operational in a calendar year
N/A - Information not available
**Prior to 2008, straightline miles mode of measurement was used. After 2008, the mode of measurement was in Lane miles.

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We acknowledge the following Financial Services Personnel in the preparation of the 2014 Comprehensive Annual Financial Report.

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Christine Lachey	Finance Technician II
James Delay	Finance Technician II
Ralanda Dorton	Staff Support
Kymberlei Anderson	Staff Support
Jennifer Hill	Staff Support
Candy Carr	Special Tax Enhancement Program
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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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