

**FIBER OPTIC NETWORK COLLABORATION
BETWEEN
CITY OF DAYTON
AND
DAYTON PUBLIC SCHOOLS**

**LOCAL GOVERNMENT INNOVATION FUND APPLICATION
GRANT**

February 2012

TAB 1
CONTACT INFORMATION

SECTION 1: Contact Information

Main Applicant: City of Dayton

Address:

101 West 3rd Street
Dayton OH 45402
Montgomery County

Main Phone Number: 937.333.3333

Email: cityhall@daytonohio.gov

Contact Information

Name: Peter M. Hager
Title: Director, Department of Central Services
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Name: Timothy Downs
Title: Deputy Director, Office of Economic Development
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County: Montgomery County

Population Data: 141,527

*See attached Census detail in Section 5.

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TAB 2
COLLABORATIVE PARTNERS

SECTION 2: Collaborative Partners

Collaborative Partner: Dayton Public Schools

Address:

115 S. Ludlow St.
Dayton OH 45402
Montgomery County
937/542-3000

Contact Information

Name: Richard D. Melson, DRE
Title: Director, Office of Information Technology
Phone: 937.542.3098
Fax: 937.542.3190
Email: rmelson@dps.k12.oh.us

Population Data: 141,527 (no specific census track data, Dayton Public Schools serves students and citizens primarily within City of Dayton area)

Nature of Partnership:

City of Dayton and Dayton Public Schools will develop and collaborate on a project to optimize utilization of existing City of Dayton owned fiber optic network assets. Specifically, we propose to jointly procure a feasibility study relating to future use of the fiber optic network assets for (1) workforce development opportunities for local employers, (2) the development of advanced, collaborative municipal government applications utilizing the fiber network, (3) the implementation of a public-private partnership for additional development, operation, and revenue generation derived from the network, and (4) whether cost savings can be achieved by collaborating with City-owned fiber optic assets, and whether or not income tax revenues can accrue to the benefit of both partners.

TAB 3
PROJECT INFORMATION

SECTION 3: Project Information

Project Name: Fiber Optic Network Collaboration

Project Description:

The City of Dayton and Dayton Public School (DPS) partnership will procure a feasibility study regarding the utilization of fiber-optic networks and broadband communications to address Dayton's significant digital divide issues, enhance economic development and to provide improved municipal, health and educational services.

The proposed feasibility study will support the specific objectives of the plan to:

- Provide improved access to broadband services for Dayton citizens.
- Provide broadband education, awareness, training, access, equipment, and support to the Dayton Public Schools and other community institutions and organizations.
- Improve access to, and use of, broadband service by public safety agencies.
- Stimulate the demand for broadband, economic growth, and job creation.

The City plans to utilize both the fiber backhaul infrastructure and the Wi-Fi connectivity to support local businesses and provide incentives to prospective employers thinking of locating in Dayton. This utilization of Dayton's connectivity would be especially effective as Dayton tries to develop areas where commercial broadband may be expensive because the commercial providers would have to build fiber to the location.

DPS would be able to utilize a dedicated amount of fibers to increase their capacity for broadband services and maintain cost controls over the long-term. Educational institutions are utilizing increasing amounts of bandwidth annually, which increases their telecommunication costs. By effectively "owning" fiber for educational purposes, the District can roll the annual payments currently allocated to broadband into the capital expense of the fiber. Utilizing this model, the fiber will generate significant annual cost savings.

The proposed feasibility study is expected to include three parts: 1) a multifaceted strategic analysis, as set forth below, 2) based on the strategic analysis, a detailed description of several candidate models for the partners to consider, and 3) recommended action items and next steps moving forward. (The partners are keenly interested in avoiding the procurement of a study which simply "sits on the shelf" after it is complete.) The feasibility study will culminate in a final written report, but will including frequent communication with and among the partners throughout and may include preliminary assessments enabling the partners to further refine potential options prior to finalization.

Scope of work:

1. Strategic Analysis
2. Market / Stakeholder Analysis

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- 2.1. Conduct market research (including surveys, etc.) to identify prospective demand and opportunity among possible users of fiber assets and applications.
- 2.2. Identify and communicate with area public-sector stakeholders (K-12, higher education, health care, government etc.) to determine how fiber assets can best be used to enhance stakeholder objectives.
3. Technical / Operational Analysis
 - 3.1. Review current fiber assets, including technical capabilities, physical resources, operational capabilities, and ongoing operational and capital requirements.
 - 3.2. Identify opportunities to deploy or utilize advanced / next generation applications, in furtherance of stakeholder and project objectives.
4. Economic Analysis
 - 4.1. Provide a financial analysis informing the partners of potential revenue, expenses, and other financial implications of various candidate approaches.
5. Organizational Analysis
 - 5.1. On a forward-looking basis, recommend potential organizational models for use of fiber assets. May include public private partnership(s), creation of separate organization, implementation of alternative governance mechanisms, etc.
6. Legal Analysis
 - 6.1. Obtain legal analysis from nationally recognized subject-matter experts to support the above analyses, and to include the following:
 - 6.1.1. "Red flag" review of Ohio and federal law relating to municipal use of fiber resources: Identify potential legal and political challenges and strategies for overcoming them
 - 6.1.2. Organizational models: Identify and outline various candidate models for public private partnership, or other organizational approaches, including legal issues relating thereto.
 - 6.1.3. Contracts: For each candidate model, identification of contractual relationships and documentation required to implement.
 - 6.1.4. Financing: Obtain initial legal advice relating to finance models, as appropriate.
7. Candidate Models
 - 7.1. Provide a menu of the most promising models and approaches for the partners to consider moving forward.
8. Action Items and Next Steps for Implementation
 - 8.1. For each candidate model, provide a set of recommended action items and next steps toward implementation.

Project Type of Award: We are applying for a feasibility study grant that will allow us to identify one or more collaborative models, potentially involving a public-private partnership, by which the City of Dayton fiber optic network assets can positively impact

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economic development, provide opportunities to implement advanced municipal services, and further educational opportunities throughout the region.. The feasibility study is expected to demonstrate and validate estimates on lowering costs and enhancing income tax receipts to benefit both partners..

Problem Statement: Dayton Public Schools (“DPS”) presently procures fiber optic network connectivity at substantial cost from commercial providers. The City of Dayton (“COD”) owns fiber optic network assets and infrastructure which are presently underutilized. The feasibility study is expected to identify and validate possible cost savings opportunities for Dayton Public Schools. An opportunity exists for the City to use its fiber network for the implementation of various cutting-edge municipal services. DPS and the City also expect to positively impact economic development through enhanced workforce development tailored to meet needs of local employers by better utilizing existing assets and infrastructure. Finally, the City seeks to explore a potential public-private partnership to encourage further use of the network, potentially generating additional revenue for the City.

Identification of approach: Shared Services

Anticipated return on investment: The COD anticipates minimum ROI of \$100,000, annually through increased income tax receipts and efficiency savings within three years of implementation of plan resulting from feasibility study.

Probability of Proposal’s success: Both partners presently deploy and manage fiber optic network assets and infrastructure. Both partners also have a high reliance upon income tax revenue generation and share common objectives in enhancing this revenue stream through successful economic development. Both entities are also highly conscious of the positive impacts on economic development by being both responsive and proactive in meeting the needs of local businesses. Please see attached listing of previous successful shared service agreements the City of Dayton has accomplished.

Applicants’ plans and ability to replicate and/or scale the proposal to allow for the inclusion of other political subdivisions: The feasibility study is expected to identify opportunities to significantly enhance economic development. Study results will be public information and will be readily available for replication. A reasonable opportunity exists to expand the deployment and utilization of these assets by other jurisdictions, based upon and subject to feasibility study report findings.

Proposed project is a part of larger consolidation effort: The COD recognizes the potential value of its fiber optic network and the potential value it may have to other neighboring public and quasi-public entities. The COD believes it is likely that by collaborating successfully with DPS on this project it can be expanded to include additional partners in the future.

Past Success: Please see attached listing of previous successful shared service collaborations achieved by the City of Dayton.

Description of how the proposed project is responding to current substantial changes: Technological advances have resulted in increasing demand for bandwidth

to handle growing loads for data and voice communications. This trend is expected to continue into the foreseeable future. As the State of Ohio works to complete 100gb capacity bandwidth State-wide, the COD and DPS plan and propose to partner to share services using and leveraging the City's fiber assets as a complement to this state-wide initiative. The expected shared service agreement will better position the local Dayton infrastructure to meet workforce development and related economic development initiatives to attract, retain and grow businesses locally.

Intent to implement recommendation of a performance or any other audit

recommendations: The COD and DPS will create a baseline report at time of and as part of feasibility study to benchmark positive progress and document achievement of identified goals. Not only will this serve as performance audit, it will also inform any resulting implementation plan and allow for adjustments and changes for which the need becomes apparent as a result of these performance checks.

Project facilitates an improved business environment: The City of Dayton has developed a comprehensive plan, Dayton Digital Development (3D) to address Dayton's significant digital divide issues, enhance economic development and to provide improved municipal, health and educational services. This study and its ultimate implementation will address Dayton's broadband adoption problem and will accelerate Dayton's economic recovery.

The City of Dayton is a relatively poor industrial city with a population of 141,527 and significant unemployment problems. Dayton's broadband adoption rate is believed to be approximately 24%. Dayton has recently suffered the loss of a major employer, NCR, and the municipality has been forced to lay off public safety employees as a cost cutting measure. Dayton has prepared this plan in an effort to utilize broadband to arrest Dayton's economic decline and promote growth.

TAB 4
FINANCIAL DOCUMENTATION

SECTION 4: Financial Documentation

Most Recent 3 years of Financial History (CAFR)

The following pages include:

1. City of Dayton 2010 CAFR Statements
2. City of Dayton 2009 CAFR Statements
3. City of Dayton 2008 CAFR Statements
4. Dayton Public Schools 2010 CAFR Statements
5. Dayton Public Schools 2009 CAFR Statements



REG
GARD



COMPREHENSIVE ANNUAL FINANCIAL REPORT (CITY OF DAYTON, OHIO)



BLUES

JAZZ



JANUARY 1 - DECEMBER 31 2010

FESTIVALS 4

CITY OF DAYTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 27,090,186	\$ 17,157,832	\$ 649,505	\$ 14,797,856	\$ 59,695,379
Cash with fiscal and escrow agents	250	-	-	-	250
Investments	-	-	-	-	-
Receivables:				86,771	86,771
Property and other local taxes	10,156,170	10,128,094	-	-	20,284,264
Municipal income taxes	15,217,177	-	-	-	15,217,177
Accounts	3,989,804	18,750	15,219	82,977	4,106,750
Payments in lieu of taxes	-	-	1,032,671	-	1,032,671
Special assessments	172,245	632,086	-	346,895	1,151,226
Accrued interest	210,282	5,668	-	6,335	222,285
Loans receivable	-	24,460,000	7,085,904	6,375,620	37,921,524
Interfund loans	4,259,446	-	-	-	4,259,446
Due from other funds	6,790	-	-	77,541	84,331
Due from other governments	7,286,450	537,150	15,493,444	7,570,793	30,887,837
Prepayments	511,441	-	5,317	5,302	522,060
Advances to other funds	-	933,540	-	-	933,540
Advances to component unit	-	-	967,932	-	967,932
Total assets	<u>\$ 68,900,241</u>	<u>\$ 53,873,120</u>	<u>\$ 25,249,992</u>	<u>\$ 37,483,690</u>	<u>\$ 185,507,043</u>
Liabilities:					
Accounts payable	\$ 2,844,650	\$ 10,959	\$ 715,334	\$ 236,332	\$ 3,807,275
Contracts payable	480,215	-	354,175	1,799,324	2,633,714
Accrued wages and benefits payable	3,448,395	2,556	11,854	229,396	3,692,201
Retainage payable	-	-	1,420,091	78,317	1,498,408
Interfund loans payable	-	-	-	3,776,871	3,776,871
Compensated absences payable	12,327	-	-	-	12,327
Due to other funds	122,860	13	24,995	15,360	163,228
Due to other governments	5,569,369	-	-	-	5,569,369
Claimants payable	15,470	-	-	-	15,470
Deferred revenue	14,483,501	4,002,611	12,521,305	3,168,139	34,175,556
Unearned revenue	7,315,770	7,315,770	646,170	-	15,277,710
Total liabilities	<u>34,292,557</u>	<u>11,331,909</u>	<u>15,693,924</u>	<u>9,303,739</u>	<u>70,622,129</u>
Fund balances:					
Reserved for encumbrances	2,477,421	54,965	20,125,237	36,431,106	59,088,729
Reserved for prepayments	511,441	-	5,317	5,302	522,060
Reserved for claims	142,262	-	-	-	142,262
Reserved for advances	-	933,540	-	-	933,540
Reserved for advances to component unit	-	-	967,932	8,133,600	9,101,532
Reserved for debt service	-	17,092,706	-	-	17,092,706
Reserved for loans	-	24,460,000	7,085,904	6,375,620	37,921,524
Reserved for contributions to permanent fund	-	-	-	102,228	102,228
Unreserved:					
Designated for various projects, reported in:					
General fund	5,322,656	-	-	-	5,322,656
Undesignated (deficit), reported in:					
General fund	26,153,904	-	-	-	26,153,904
Special revenue funds	-	-	-	-	-
Permanent fund	-	-	-	(22,938,155)	(22,938,155)
Capital projects funds	-	-	-	70,250	70,250
Total fund balances	<u>34,607,684</u>	<u>42,541,211</u>	<u>9,556,068</u>	<u>28,179,951</u>	<u>114,884,914</u>
Total liabilities and fund balances	<u>\$ 68,900,241</u>	<u>\$ 53,873,120</u>	<u>\$ 25,249,992</u>	<u>\$ 37,483,690</u>	<u>\$ 185,507,043</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total governmental fund balances		\$ 114,884,914
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.		373,569,050
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	\$ 5,624,648	
Payments in lieu of taxes receivable	386,501	
Municipal income taxes receivable	6,181,305	
Accounts receivable	1,893,272	
Special assessments receivable	1,151,226	
Accrued interest receivable	90,234	
Due from other governments	18,848,370	
Total	<u>34,175,556</u>	
Unamortized premiums/discounts on bond issuances are not recognized in the funds.		(556,178)
Unamortized bond issuance costs are not recognized in the funds.		1,562,591
Unamortized deferred charges on refundings are not recorded in the funds.		970,956
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 assets. The net assets of the internal service funds, including internal balances of \$495,675, are:		9,125,072
In the statement of net assets interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.		(277,414)
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).		
Special assessment bonds	(211,800)	
General obligation bonds	(52,818,927)	
Revenue bonds	(40,650,000)	
Compensated absences	(8,325,506)	
OPWC loan	(175,161)	
ODOD Loan	(2,860,000)	
Pollution remediation obligations	(182,342)	
Total	<u>(105,223,736)</u>	
Net assets of governmental activities		<u>\$ 428,230,811</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	General	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 98,824,027	\$ -	\$ -	\$ -	\$ 98,824,027
Property and other taxes	8,933,194	8,425,614	514,880	-	17,873,688
State shared taxes	14,456,090	-	-	-	14,456,090
Charges for services	25,345,718	-	-	5,600,029	20,056,119
Licenses and permits	1,189,378	-	27,432	892,720	26,265,870
Fines and forfeitures	1,451,898	-	29,578	96,000	1,314,956
Intergovernmental	1,013,517	-	-	824,958	2,276,856
Special assessments	156,559	1,054,810	20,682,151	28,246,079	50,996,557
Investment income	1,417,441	141,601	12,605	70,002	380,767
Payments in lieu of taxes	-	499,834	-	8,802	1,926,077
Increase (decrease) in FMV of investments	55,874	-	1,039,654	-	1,039,654
Other	3,068,249	1,357	-	(6,417)	50,814
Total revenues	<u>155,911,945</u>	<u>10,262,244</u>	<u>26,682,235</u>	<u>37,655,006</u>	<u>230,511,430</u>
Expenditures:					
Current:					
Downtown	3,549,220	560,000	6,473	1,889	4,117,582
Youth, education and human services	40,130	-	-	2,472,481	2,512,611
Community development and neighborhoods	11,993,079	-	284,171	14,595,907	26,873,157
Economic development	3,202,710	-	9,018,230	1,679,829	13,900,769
Leadership and quality of life	25,598,035	-	1,973,535	13,776,280	41,347,850
Corporate responsibility	13,632,637	75,419	320	1,828,540	15,536,916
Public safety and justice	89,644,301	-	-	6,053,891	95,698,192
Capital outlay	-	-	18,169,380	56,858	18,226,238
Debt service:					
Principal retirement	-	8,030,000	-	-	8,030,000
Interest and fiscal charges	-	3,828,281	-	-	3,828,281
Bond issuance costs	-	-	95,093	41,975	137,068
Total expenditures	<u>147,660,112</u>	<u>12,493,700</u>	<u>29,547,202</u>	<u>40,507,650</u>	<u>230,208,664</u>
Excess/deficiency of revenues over/under expenditures	8,251,833	(2,231,456)	(2,864,967)	(2,852,644)	302,766
Other financing sources (uses):					
Bond issuance	-	-	2,680,000	2,500,000	5,180,000
Transfers in	69,863	2,584,621	4,615,530	5,211,025	12,481,039
Transfers (out)	(9,552,426)	-	(2,774,414)	(161,202)	(12,488,042)
Premium (discount) on bond issuance	-	-	48,293	(34,409)	13,884
Loan issuance	-	-	2,860,000	-	2,860,000
Total other financing sources (uses)	<u>(9,482,563)</u>	<u>2,584,621</u>	<u>7,429,409</u>	<u>7,515,414</u>	<u>8,046,881</u>
Net change in fund balances	(1,230,730)	353,165	4,564,442	4,662,770	8,349,647
Fund balances at beginning of year	35,838,414	42,188,046	4,991,626	23,517,181	106,535,267
Fund balances at end of year	<u>\$ 34,607,684</u>	<u>\$ 42,541,211</u>	<u>\$ 9,556,068</u>	<u>\$ 28,179,951</u>	<u>\$ 114,884,914</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, 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, 2010

Net change in fund balances - total governmental funds \$ 8,349,647

Amounts reported for governmental activities in the statement of activities are different because:

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 (\$29,626,529) exceeded depreciation expense (\$11,946,639) in the current period (exclusive of internal service fund activity). 17,679,890

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net assets. (118,509)

Revenues in the statement of activities that do not provide current financial resources are not reported a revenues in the funds.

Municipal income taxes	\$ (424,070)	
Property taxes	924,536	
Payments in lieu of taxes	386,501	
State shared taxes	(211,806)	
Charges for services	283,297	
Intergovernmental	(3,933,429)	
Special assessments	(51,157)	
Investment income	(6,646)	
Total	<u>(6,646)</u>	(3,032,774)

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 assets.

Bond principal payments	8,007,827	
Loan principal payments	22,173	
Total	<u>8,030,000</u>	8,030,000

Issuance of bonds and loans are recorded as an other financing source in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets. (8,040,000)

Premiums on bonds and bond issuance costs related to the issuance of bonds are amortized over the life of the issuance in the statement of activities. The following transactions occurred in the fiscal year:

Premium (discount) on bonds	(13,884)	
Bond issuance costs	137,068	
Total	<u>123,184</u>	123,184

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	19,682	
Amortization of bond issue costs	(105,244)	
Amortization of bond premiums and discounts	41,744	
Amortization of deferred charges on refundings	(106,097)	
Total	<u>(149,915)</u>	(149,915)

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	855,168	
Pollution remediation obligation	996,831	
Total	<u>1,851,999</u>	1,851,999

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 \$516,633, is allocated among governmental activities. 1,446,746

Change in net assets of governmental activities \$ 26,140,268

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, 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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 99,108,900	\$ 97,499,100	\$ 98,205,983	\$ 706,883
Property and other taxes	9,471,900	9,527,800	9,520,613	(7,187)
State shared taxes	12,756,000	13,318,100	13,721,912	403,812
Charges for services	24,340,200	22,221,700	24,492,775	2,271,075
Licenses and permits	1,485,500	1,240,000	1,189,378	(50,622)
Fines and forfeitures	1,907,700	1,436,000	1,459,078	23,078
Intergovernmental	1,045,300	1,045,100	1,049,481	4,381
Special assessments	382,200	182,000	156,559	(25,441)
Investment income	2,468,300	1,404,500	1,686,061	281,561
Other	2,447,300	2,284,300	2,357,977	73,677
Total revenues	<u>155,413,300</u>	<u>150,158,600</u>	<u>153,839,817</u>	<u>3,681,217</u>
Expenditures:				
Current:				
Downtown	3,481,000	3,253,400	3,601,761	(348,361)
Youth, education and human services	-	-	39,836	(39,836)
Community development and neighborhoods	12,393,200	12,381,000	12,367,618	13,382
Economic development	3,214,300	3,398,100	3,192,703	205,397
Leadership and quality of life	23,432,200	23,664,800	22,470,810	1,193,990
Corporate responsibility	15,527,900	14,909,700	14,671,960	237,740
Public safety and justice	88,363,900	90,326,300	89,444,400	881,900
Other	2,050,800	1,979,600	713,976	1,265,624
Total expenditures	<u>148,463,300</u>	<u>149,912,900</u>	<u>146,503,064</u>	<u>3,409,836</u>
Excess of revenues over expenditures	<u>6,950,000</u>	<u>245,700</u>	<u>7,336,753</u>	<u>7,091,053</u>
Other financing sources (uses):				
Transfers in	-	-	69,863	69,863
Transfers (out)	(6,950,000)	(9,934,200)	(9,552,426)	381,774
Total other financing sources (uses)	<u>(6,950,000)</u>	<u>(9,934,200)</u>	<u>(9,482,563)</u>	<u>451,637</u>
Net change in fund balances	-	(9,688,500)	(2,145,810)	7,542,690
Fund balances at beginning of year	18,663,628	18,663,628	18,663,628	-
Prior year encumbrances appropriated	4,438,340	4,438,340	4,438,340	-
Fund balance at end of year	<u>\$ 23,101,968</u>	<u>\$ 13,413,468</u>	<u>\$ 20,956,158</u>	<u>\$ 7,542,690</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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4-7

CITY OF DAYTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 20,264,662	\$ 47,002,995	\$ 32,537,923	\$ 10,278,536
Other operating revenues	5,409,049	2,315,162	20,634	115,434
Total operating revenues	<u>25,673,711</u>	<u>49,318,157</u>	<u>32,558,557</u>	<u>10,393,970</u>
Operating expenses:				
Personal services	7,818,095	15,167,452	6,838,923	3,648,348
Fringe benefits	3,063,564	5,697,885	2,557,227	1,340,663
Contract services	2,428,167	6,418,867	8,193,192	2,753,349
Materials and supplies	735,419	4,137,555	2,071,656	488,412
Cost of sales	-	-	-	-
Utilities	1,825,150	6,538,713	2,619,519	208,155
Claims expense	-	-	-	-
Depreciation	9,564,363	6,387,001	7,652,896	689,696
Other	2,650,638	2,489,602	681,344	263,496
Total operating expenses	<u>28,085,396</u>	<u>46,837,075</u>	<u>30,614,757</u>	<u>9,392,119</u>
Operating income (loss)	<u>(2,411,685)</u>	<u>2,481,082</u>	<u>1,943,800</u>	<u>1,001,851</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(2,732,679)	-	(429,095)	(80,620)
Interest income	7,999	37,265	-	-
Increase in fair market value of investments	41,902	14,049	-	-
Total nonoperating revenues (expenses)	<u>(2,682,778)</u>	<u>51,314</u>	<u>(429,095)</u>	<u>(80,620)</u>
Income (loss) before contributions and transfers	(5,094,463)	2,532,396	1,514,705	921,231
Transfer in	-	-	-	37,210
Transfer out	-	-	-	(42,508)
Capital contributions	16,749,609	125,807	2,059,066	32,530
Change in net assets	11,655,146	2,658,203	3,573,771	948,463
Net assets at beginning of year	<u>253,268,287</u>	<u>164,535,540</u>	<u>105,590,448</u>	<u>22,736,676</u>
Net assets at end of year	<u>\$ 264,923,433</u>	<u>\$ 167,193,743</u>	<u>\$ 109,164,219</u>	<u>\$ 23,685,139</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				
Change in net assets of business-type activities				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 110,084,116	\$ 12,960,664
7,860,279	324,218
<u>117,944,395</u>	<u>13,284,882</u>
33,472,818	3,329,928
12,659,339	1,330,586
19,793,575	1,059,962
7,433,042	1,683,409
-	2,623,983
11,191,537	21,974
-	1,157,516
24,293,956	91,435
6,085,080	35,011
<u>114,929,347</u>	<u>11,333,804</u>
<u>3,015,048</u>	<u>1,951,078</u>
(3,242,394)	-
45,264	-
55,951	-
<u>(3,141,179)</u>	<u>-</u>
(126,131)	1,951,078
37,210	130,000
(42,508)	(117,699)
<u>18,967,012</u>	<u>-</u>
18,835,583	1,963,379
	<u>7,657,368</u>
	<u>\$ 9,620,747</u>
<u>516,633</u>	
<u>\$ 19,352,216</u>	

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CITY OF DAYTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 21,500,644	\$ 44,333,526	\$ 30,039,590	\$ 9,872,152
Cash received from interfund services provided	-	-	-	-
Cash received from other operations	5,504,822	2,329,805	26,167	129,941
Cash payments for personal services	(7,892,961)	(14,997,911)	(6,771,694)	(3,595,011)
Cash payments for fringe benefits	(3,064,709)	(5,837,783)	(2,623,936)	(1,370,697)
Cash payments for contractual services	(3,739,771)	(7,006,815)	(8,484,137)	(2,657,849)
Cash payments for materials and supplies	(726,168)	(4,448,254)	(2,025,902)	(464,248)
Cash payments for cost of goods sold	-	-	-	-
Cash payments for utilities	(1,955,995)	(5,980,460)	(2,665,876)	(203,505)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(2,174,101)	(2,439,191)	(689,829)	(263,512)
Net cash provided by operating activities	7,451,761	5,952,917	6,804,383	1,447,271
Cash flows from noncapital financing activities:				
Cash received from advance from component unit	-	406,896	-	-
Cash payments for advance to component unit	-	(204,093)	-	-
Cash received from interfund loans	-	-	-	-
Cash received in transfers in	-	-	-	21,234
Cash used in transfers out	-	-	-	37,210
Cash received from interfund loans	-	-	-	(42,508)
Net cash provided by noncapital financing activities	-	202,803	-	15,936
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(35,846,926)	(6,526,218)	(7,621,943)	(665,478)
Capital contributions	16,994,798	110,807	1,632,104	32,530
Principal paid on notes	(485,000)	-	-	-
Interest paid on notes	(24,250)	-	-	-
Principal paid on bonds	(1,505,000)	-	-	(254,873)
Interest paid on bonds	(2,618,311)	-	-	(77,594)
Principal paid on loans	-	-	(731,315)	-
Interest paid on loans	-	-	(438,177)	-
Net cash used in capital and related financing activities	(23,484,689)	(6,415,411)	(7,159,331)	(965,415)
Cash flows from investing activities:				
Interest received	230,030	123,193	-	-
Net cash provided by investing activities	230,030	123,193	-	-
Net increase (decrease) in cash and cash equivalents	(15,802,898)	(136,498)	(354,948)	497,792
Cash and cash equivalents at beginning of year	68,623,441	42,826,312	27,946,905	7,142,007
Cash and cash equivalents at end of year	\$ 52,820,543	\$ 42,689,814	\$ 27,591,957	\$ 7,639,799

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Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds	
\$	105,745,912	\$	-
	-		12,959,197
	7,990,735		324,218
	(33,257,577)		(3,344,550)
	(12,897,125)		(1,369,896)
	(21,888,572)		(1,105,013)
	(7,664,572)		(1,625,000)
	-		(2,612,690)
	(10,805,836)		(23,331)
	-		(2,746,842)
	<u>(5,566,633)</u>		<u>(34,318)</u>
	<u>21,656,332</u>		<u>421,775</u>
	406,896		-
	(204,093)		-
	21,234		-
	37,210		130,000
	(42,508)		(117,699)
	<u>-</u>		<u>82,575</u>
	<u>218,739</u>		<u>94,876</u>
	(50,660,565)		-
	18,770,239		-
	(485,000)		-
	(24,250)		-
	(1,759,873)		-
	(2,695,905)		-
	(731,315)		-
	<u>(438,177)</u>		<u>-</u>
	<u>(38,024,846)</u>		<u>-</u>
	<u>353,223</u>		<u>-</u>
	<u>353,223</u>		<u>-</u>
	(15,796,552)		516,651
	<u>146,538,665</u>		<u>14,684,067</u>
\$	<u>130,742,113</u>	\$	<u>15,200,718</u>

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CITY OF DAYTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

	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)	\$ (2,411,685)	\$ 2,481,082	\$ 1,943,800	\$ 1,001,851
Adjustments:				
Depreciation	9,564,363	6,387,001	7,652,896	689,696
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	1,353,486	(1,808,216)	(2,359,846)	(133,406)
Decrease (increase) in due from other funds	-	14,643	5,533	14,507
Decrease (increase) in prepaid assets	(18,519)	20,764	(2,605)	-
Decrease (increase) in due from other governments	(21,731)	13,041	-	-
(Increase) in special assessments receivable	-	(882,914)	(138,487)	(272,978)
Decrease (increase) in materials and supplies inventory	4,706	(43,575)	-	-
Decrease in inventory held for resale	-	-	-	-
Increase (decrease) in accounts payable	628,947	23,388	(395,026)	8,107
Increase (decrease) in contracts payable	(1,426,484)	(352,146)	36,118	94,377
(Decrease) in airline settlement payable	(978,556)	-	-	-
Increase in retainage payable	949,475	48,004	127,709	-
Increase (decrease) in accrued wages and benefits	26,517	74,466	28,083	17,123
Increase (decrease) in due to other funds	(7,668)	12,705	(66,229)	21,814
Increase (decrease) in due to other governments	(108,562)	877	-	-
Increase in utility deposits	-	8,620	-	-
Increase (decrease) increase in compensated absences payable	(102,528)	(44,823)	(27,563)	6,180
(Decrease) in claims payable	-	-	-	-
Net cash provided by operating activities	<u>\$ 7,451,761</u>	<u>\$ 5,952,917</u>	<u>\$ 6,804,383</u>	<u>\$ 1,447,271</u>
Non-cash transactions:				

During 2010, the Sewer fund received \$1,509,329 in OWDA loan proceeds and loan forgiveness payments through American Recovery and Reinvestment Act (ARRA) funds.

During 2010, the Dayton International Airport received \$6,464,106 in capital grants, which was recognized as a receivable in 2009. Receivables in the amount of \$6,218,917 and \$426,962 have been recorded for capital grants in 2010 for the Dayton International Airport and Sewer enterprise funds, respectively.

During 2010, the Water fund received \$15,000 in capital contributions from Montgomery County.

At December 31, 2010, the Water, Sewer and Dayton International Airport enterprise funds purchased \$964,419, \$254,633 and \$4,867,840, respectively, in capital assets on account. At December 31, 2009, the Water, Sewer and Dayton International Airport enterprise funds purchased \$255,170, \$688,659, and \$6,531,307, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 3,015,048	\$ 1,951,078
24,293,956	91,435
(2,947,982)	9,098
34,683	(11,166)
(360)	2,706
(8,690)	(20,068)
(1,294,379)	-
(38,869)	-
-	9,222
265,416	32,601
(1,648,135)	-
(978,556)	-
1,125,188	-
146,189	(2,420)
(39,378)	127
(107,685)	(376,134)
8,620	-
(168,734)	(51,512)
-	(1,213,192)
<u>\$ 21,656,332</u>	<u>\$ 421,775</u>

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CITY OF DAYTON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 5,698,869
Investments with fiscal agent	4,214,489
Cash and cash equivalents with fiscal agent	996,745
Receivables:	
Accounts	896,223
Special assessments	6,473,303
Intergovernmental	120,576
Total assets	\$ 18,400,205
Liabilities:	
Accounts payable	\$ 432,974
Intergovernmental payable	1,828,114
Due to others	10,929,043
Withholdings and deposits	5,210,074
Total liabilities	\$ 18,400,205

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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DAYTON: WHERE THE FUTURE BEGAN

City of Dayton, Ohio Comprehensive Annual Financial Report
January 1, 2009 • December 31, 2009



CITY OF DAYTON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 30,231,610	\$ 15,576,635	\$ 1,231,530	\$ 16,195,183	\$ 63,234,958
Investments	-	-	-	93,150	93,150
Receivables (net of allowance for uncollectibles):					
Property and other local taxes	11,217,134	11,181,759	-	-	22,398,893
Municipal income taxes	15,287,978	-	-	-	15,287,978
Accounts	3,713,707	25,000	60,466	153,862	3,953,035
Special assessments	159,640	787,825	-	254,918	1,202,383
Accrued interest	484,686	12,541	9,428	8,513	515,168
Loans	-	25,700,000	-	-	25,700,000
Interfund loans	1,797,311	-	-	-	1,797,311
Due from other funds	47,909	-	2,506	9,912	60,327
Due from other governments	7,187,570	533,207	17,811,918	7,245,969	32,778,664
Prepayments	410,916	-	11,941	786	423,643
Advances from other funds	-	912,306	-	-	912,306
Advances to component unit	-	-	5,393,043	7,801,264	13,194,307
Restricted assets:					
Cash with fiscal and escrow agents	-	1,891	-	-	1,891
Total assets	\$ 70,538,461	\$ 54,731,164	\$ 24,520,832	\$ 31,763,557	\$ 181,554,014
Liabilities:					
Accounts payable	\$ 992,458	\$ 7,684	\$ 13,087	\$ 238,982	\$ 1,252,211
Contracts payable	700,445	-	1,811,219	2,893,890	5,405,554
Accrued wages and benefits	3,267,803	2,038	7,392	160,648	3,437,881
Retainage payable	-	-	2,760,243	21,459	2,781,702
Interfund loans payable	-	-	-	1,397,311	1,397,311
Due to other funds	78,285	3,247	1,907	40,051	123,490
Due to other governments	5,745,215	-	-	-	5,745,215
Claimants payable	3,647	-	-	-	3,647
Deferred revenue	15,080,491	3,698,446	14,935,358	3,494,035	37,208,330
Unearned revenue	8,831,703	8,831,703	-	-	17,663,406
Total liabilities	34,700,047	12,543,118	19,529,206	8,246,376	75,018,747
Fund Balances:					
Reserved for encumbrances	3,027,913	39,491	20,728,704	23,812,974	47,609,082
Reserved for prepayments	410,916	-	11,941	786	423,643
Reserved for claims	132,987	-	-	-	132,987
Reserved for advances	-	912,306	-	-	912,306
Reserved for advances to component unit	-	-	5,393,043	7,801,264	13,194,307
Reserved for debt service	-	15,536,249	-	-	15,536,249
Reserved for contributions to permanent fund	-	-	-	102,228	102,228
Reserved for loans	-	25,700,000	-	-	25,700,000
Unreserved, designated for various projects, reported in:					
General fund	6,585,539	-	-	-	6,585,539
Special revenue funds	-	-	-	398,848	398,848
Unreserved, undesignated (deficit), reported in:					
General fund	25,681,059	-	-	-	25,681,059
Special revenue funds	-	-	-	(8,675,221)	(8,675,221)
Permanent fund	-	-	-	76,302	76,302
Capital projects funds	-	-	(21,142,062)	-	(21,142,062)
Total fund balances	35,838,414	42,188,046	4,991,626	23,517,181	106,535,267
Total liabilities and fund balances	\$ 70,538,461	\$ 54,731,164	\$ 24,520,832	\$ 31,763,557	\$ 181,554,014

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total governmental fund balances		\$ 106,535,267
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.		360,431,997
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	\$ 4,700,112	
Municipal income taxes receivable	6,605,375	
Accounts receivable	1,609,975	
Special assessments receivable	1,202,383	
Accrued interest receivable	96,880	
Due from other governments	22,993,605	
Total	<u>22,993,605</u>	
		37,208,330
Unamortized premiums/discounts on bond issuances are not recognized in the funds		(584,038)
Unamortized bond issuance costs are not recognized in the funds		1,530,767
Unamortized deferred charges on refundings are not recorded in the funds.		1,077,053
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 assets. The net assets of the internal service funds, including internal balances of \$20,958, are:		7,678,326
In the statement of net assets interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.		(297,096)
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).		
Special assessment bonds	(299,500)	
General obligation bonds	(56,284,054)	
Revenue bonds	(39,925,000)	
Compensated absences	(9,180,674)	
OPWC loan	(197,334)	
Pollution remediation obligations	(1,179,173)	
Total	<u>(1,179,173)</u>	
		<u>(107,065,735)</u>
Net assets of governmental activities		<u>\$ 406,514,871</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 99,831,456	\$ -	\$ -	\$ -	\$ 99,831,456
Property and other taxes	9,880,083	9,296,628	1,106,009	-	20,282,720
State shared taxes	13,222,031	-	-	-	13,222,031
Charges for services	23,368,644	-	-	5,674,831	18,896,862
Licenses and permits	1,585,081	-	324,881	1,344,208	25,037,733
Fines and forfeitures	1,604,520	-	36,156	9,082	1,630,319
Intergovernmental	1,097,695	-	-	501,669	2,106,189
Special assessments	189,434	1,050,358	18,114,720	19,436,678	39,699,451
Investment income	2,788,668	117,652	12,800	102,722	422,608
Decrease in FMV of investments	(1,043,330)	57,832	42,617	38,540	2,927,657
Other	138,078	(22,519)	(19,018)	(997)	(1,085,864)
Total revenues	<u>152,662,360</u>	<u>10,599,951</u>	<u>22,181,080</u>	<u>28,954,225</u>	<u>214,397,616</u>
Expenditures:					
Current:					
Downtown	3,537,383	560,000	46,405	-	4,143,788
Youth, education and human services	34,129	-	24,984	-	2,280,237
Community development and neighborhoods	12,982,602	-	593,719	2,221,124	22,259,601
Economic development	3,823,697	13	6,417,920	8,683,280	15,047,900
Leadership and quality of life	24,215,492	-	5,202,610	4,806,270	40,991,411
Corporate responsibility	14,648,932	495,335	890	1,980,002	17,125,159
Public safety and justice	90,866,260	-	27,377	4,347,213	95,240,850
Capital outlay	-	-	34,887,179	21,459	34,908,638
Debt service:					
Principal retirement	-	6,542,380	10,842	1,494,000	8,047,222
Interest and fiscal charges	-	3,498,169	59,621	-	3,557,790
Bond issuance costs	-	586,476	-	-	586,476
Total expenditures	<u>150,108,495</u>	<u>11,682,373</u>	<u>47,271,547</u>	<u>35,126,657</u>	<u>244,189,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,553,865</u>	<u>(1,082,422)</u>	<u>(25,090,467)</u>	<u>(6,172,432)</u>	<u>(29,791,456)</u>
Other financing sources (uses):					
Sale of bonds	-	22,337,868	12,070,243	-	34,408,111
Payment to refund bond escrow agent	-	(22,528,097)	-	-	(22,528,097)
Premium on bond issuance	-	311,474	-	-	311,474
Transfers in	804,913	56,677	1,610,000	9,346,913	11,818,503
Transfers out	(11,114,668)	-	-	(1,563,745)	(12,678,413)
Total other financing sources (uses)	<u>(10,309,755)</u>	<u>177,922</u>	<u>13,680,243</u>	<u>7,783,168</u>	<u>11,331,578</u>
Net change in fund balances	(7,755,890)	(904,500)	(11,410,224)	1,610,736	(18,459,878)
Fund balances at beginning of year (restated)	43,594,304	43,092,546	16,401,850	21,906,445	124,995,145
Fund balances at end of year	<u>\$ 35,838,414</u>	<u>\$ 42,188,046</u>	<u>\$ 4,991,626</u>	<u>\$ 23,517,181</u>	<u>\$ 106,535,267</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, 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, 2009

Net change in fund balances - total governmental funds		\$ (18,459,878)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 (\$39,799,258) exceeded depreciation expense (\$12,373,540) in the current period (exclusive of internal service fund activity).		27,425,718
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net assets. The City received \$62,210 in capital contributions and recorded (\$64,991) related to disposals.		(2,781)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	\$ (13,539)	
Property taxes	(1,211,860)	
State shared taxes	(588,473)	
Charges for services	88,040	
Intergovernmental	6,663,250	
Special assessments	(259,721)	
Investment income	(530,652)	
Total	<u>4,147,045</u>	
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 assets.		
Bond principal payments	6,542,380	
Loan principal payments	10,842	
Capital lease principal payments	1,494,000	
Total	<u>8,047,222</u>	
Issuance of bonds are recorded as an other financing source in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		(34,408,111)
Payment to refunded bond escrow agent for the retirement of bonds is an other use in the governmental funds but the payment reduces long-term liabilities on the statement of net assets. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	21,708,111	
Deferred charges on refundings	819,986	
Total	<u>22,528,097</u>	
Premiums on bonds and bond issuance costs related to the issuance of bonds are amortized over the life of the issuance in the statement of activities. The following transactions occurred in the fiscal year:		
Premium on bonds	(311,474)	
Bond issuance costs	586,476	
Total	<u>275,002</u>	
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	26,343	
Amortization of bond issue costs	(63,676)	
Amortization of bond premiums and discounts	29,579	
Amortization of deferred charges on refundings	(54,958)	
Total	<u>(62,712)</u>	
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	1,929,578	
Pollution remediation obligation	(829,173)	
Total	<u>1,100,405</u>	
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 \$438,350, is allocated among governmental activities.		173,556
Change in net assets of governmental activities		<u>\$ 10,763,563</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, 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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 105,417,700	\$ 101,368,300	\$ 100,430,248	\$ (938,052)
Property and other local taxes	10,145,900	9,896,200	9,883,262	(12,938)
State shared taxes	15,678,500	13,409,300	13,545,039	135,739
Charges for services	22,824,800	23,249,500	23,475,636	226,136
Licenses and permits	1,410,700	1,683,000	1,585,081	(97,919)
Fines and forfeitures	1,768,000	1,551,700	1,663,326	111,626
Intergovernmental	1,345,300	1,132,800	1,132,821	21
Special assessments	200,000	158,800	189,434	30,634
Investment income	4,058,300	2,202,500	2,190,940	(11,560)
Other	2,769,100	2,204,200	2,611,433	407,233
Total revenues.	165,618,300	156,856,300	156,707,220	(149,080)
Expenditures:				
Current:				
Downtown	13,058,300	3,449,900	3,614,200	(164,300)
Youth, education and human services	-	-	37,541	(37,541)
Community development and neighborhoods	8,858,100	14,041,600	13,375,287	666,313
Economic development	10,089,100	4,142,900	3,699,501	443,399
Leadership and quality of life	32,824,000	27,227,200	25,000,543	2,226,657
Corporate responsibility	94,899,100	15,638,600	13,951,228	1,687,372
Public safety and justice	1,910,800	97,344,000	92,471,285	4,872,715
Total expenditures.	161,639,400	161,844,200	152,149,585	9,694,615
Excess (deficiency) of revenues over (under) expenditures	3,978,900	(4,987,900)	4,557,635	9,545,535
Other financing sources (uses):				
Transfers in	4,058,400	979,913	804,913	(175,000)
Transfers out	(11,454,700)	(15,930,400)	(11,114,668)	4,815,732
Total other financing sources (uses)	(7,396,300)	(14,950,487)	(10,309,755)	4,640,732
Net change in fund balance	(3,417,400)	(19,938,387)	(5,752,120)	14,186,267
Fund balance at beginning of year.	21,909,052	21,909,052	21,909,052	-
Prior year encumbrances appropriated.	2,506,696	2,506,696	2,506,696	-
Fund balance at end of year.	20,998,348	\$ 4,477,361	\$ 18,663,628	\$ 14,186,267

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities -		
	Dayton International Airport	Water	Sewer
Operating revenues:			
Charges for services	\$ 24,943,894	\$ 45,148,024	\$ 30,527,482
Other	5,712,056	2,595,726	471,257
Total operating revenues	30,655,950	47,743,750	30,998,739
Operating expenses:			
Personal services	8,357,108	14,713,456	6,889,500
Benefit payments	3,069,251	5,400,719	2,505,752
Contractual services	12,219,435	5,784,173	8,376,418
Materials and supplies	716,302	4,812,093	2,298,382
Utilities	1,977,538	6,238,060	2,968,559
Cost of sales	-	-	-
Depreciation	9,461,860	6,450,497	7,722,188
Claims	-	-	-
Other	2,262,323	2,118,472	697,978
Total operating expenses	38,063,817	45,517,470	31,458,777
Operating income (loss)	(7,407,867)	2,226,280	(460,038)
Nonoperating revenues (expenses):			
Interest revenue	961,972	454,096	-
Decrease in fair market value of investments	(490,306)	(209,194)	-
Interest expense and fiscal charges	(2,082,373)	-	(451,675)
Total nonoperating revenues (expenses)	(1,610,707)	244,902	(451,675)
Income (loss) before capital contributions and transfers	(9,018,574)	2,471,182	(911,713)
Capital contributions	16,881,998	216,235	-
Transfers in	149,758	261,063	104,586
Transfers out	-	-	-
Changes in net assets	8,013,182	2,948,480	(807,127)
Net assets, January 1 (restated)	245,255,105	161,587,060	106,397,575
Net assets, December 31	\$ 253,268,287	\$ 164,535,540	\$ 105,590,448

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

Changes in net assets of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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<u>Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>
<u>Other Enterprise</u>	<u>Total</u>	
\$ 10,275,606	\$ 110,895,006	\$ 12,756,226
58,090	8,837,129	289,967
<u>10,333,696</u>	<u>119,732,135</u>	<u>13,046,193</u>
3,518,736	33,478,800	3,763,422
1,287,443	12,263,165	1,417,744
2,088,272	28,468,298	1,291,712
536,916	8,363,693	2,112,292
214,732	11,398,889	22,430
-	-	1,808,931
687,355	24,321,900	101,327
-	-	2,961,161
<u>226,844</u>	<u>5,305,617</u>	<u>28,917</u>
<u>8,560,298</u>	<u>123,600,362</u>	<u>13,507,936</u>
<u>1,773,398</u>	<u>(3,868,227)</u>	<u>(461,743)</u>
-	1,416,068	-
-	(699,500)	-
<u>(88,570)</u>	<u>(2,622,618)</u>	<u>-</u>
<u>(88,570)</u>	<u>(1,906,050)</u>	<u>-</u>
1,684,828	(5,774,277)	(461,743)
-	17,098,233	-
204,231	719,638	196,949
<u>(56,677)</u>	<u>(56,677)</u>	<u>-</u>
1,832,382	11,986,917	(264,794)
<u>20,904,294</u>		<u>7,922,162</u>
<u>\$ 22,736,676</u>		<u>\$ 7,657,368</u>
	<u>(438,350)</u>	
	<u>\$ 11,548,567</u>	

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CITY OF DAYTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities -		
	Dayton		
	International Airport	Water	Sewer
Cash flows from operating activities:			
Cash received from customers	\$ 24,566,761	\$ 45,606,303	\$ 30,642,982
Cash received from interfund services provided.	-	-	-
Cash received from other operating revenues	5,805,803	2,554,082	465,724
Cash payments for personal services	(8,568,557)	(15,207,394)	(6,973,529)
Cash payments for fringe benefits	(3,112,588)	(5,458,060)	(2,526,817)
Cash payments for contract services.	(11,282,124)	(5,343,600)	(8,444,376)
Cash payments for materials and supplies.	(721,505)	(4,734,430)	(2,331,750)
Cash payments for cost of goods sold.	-	-	-
Cash payments for utilities	(1,986,257)	(6,443,868)	(2,846,083)
Cash payments for claims	-	-	-
Cash payments for other operating expenses	(2,264,665)	(2,177,816)	(689,530)
Net cash provided by operating activities.	<u>2,436,868</u>	<u>8,795,217</u>	<u>7,296,621</u>
Cash flows from noncapital financing activities:			
Cash received from advance to component unit	-	881,703	-
Cash payments from advance to component unit	-	(625,855)	-
Cash received from interfund loans.	-	-	-
Transfers in.	149,758	261,063	104,586
Transfers out.	-	-	-
Net cash provided by noncapital financing activities.	<u>149,758</u>	<u>516,911</u>	<u>104,586</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(23,917,089)	(5,245,243)	(1,352,944)
Capital contributions	11,597,228	216,235	-
Bond issuance costs	(130,000)	-	-
Payment to refunded bond escrow agent	-	-	-
Sale of general obligation bonds.	10,820,000	-	-
Principal paid on notes	(1,400,000)	-	-
Interest paid on notes.	(94,250)	-	-
Principal paid on bonds.	(1,115,000)	-	-
Interest paid on bonds	(1,860,958)	-	-
Principal paid on loans	-	-	-
Interest paid on loans.	-	-	(705,872)
Net cash used in capital and related financing activities.	<u>(6,100,069)</u>	<u>(5,029,008)</u>	<u>(2,522,436)</u>
Cash flows from investing activities:			
Interest received	649,167	296,549	-
Net cash provided by investing activities	<u>649,167</u>	<u>296,549</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,864,276)	4,579,669	4,878,771
Cash and cash equivalents at beginning of year	<u>71,487,717</u>	<u>38,246,643</u>	<u>23,068,134</u>
Cash and cash equivalents at end of year.	<u>\$ 68,623,441</u>	<u>\$ 42,826,312</u>	<u>\$ 27,946,905</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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Enterprise Funds		Governmental Activities - Internal Service Funds
Other Enterprise	Total	
\$ 10,110,710	\$ 110,926,756	\$ -
-	-	12,869,170
43,206	8,868,815	289,967
(3,599,213)	(34,348,693)	(3,877,896)
(1,297,111)	(12,394,576)	(1,435,780)
(2,079,724)	(27,149,824)	(1,315,428)
(542,187)	(8,329,872)	(2,101,642)
-	-	(1,813,464)
(216,855)	(11,493,063)	(24,286)
-	-	(2,243,896)
(227,332)	(5,359,343)	(29,076)
<u>2,191,494</u>	<u>20,720,200</u>	<u>317,669</u>
-	881,703	-
-	(625,855)	-
68,723	68,723	-
204,231	719,638	196,949
(56,677)	(56,677)	-
<u>216,277</u>	<u>987,532</u>	<u>196,949</u>
(385,474)	(30,900,750)	-
-	11,813,463	-
-	(130,000)	-
(771,889)	(771,889)	-
771,889	11,591,889	-
-	(1,400,000)	-
-	(94,250)	-
(277,720)	(1,392,720)	-
(72,508)	(1,933,466)	-
-	(705,872)	-
-	(463,620)	-
<u>(735,702)</u>	<u>(14,387,215)</u>	<u>-</u>
-	945,716	-
-	945,716	-
1,672,069	8,266,233	514,618
5,469,938	138,272,432	14,169,449
<u>\$ 7,142,007</u>	<u>\$ 146,538,665</u>	<u>\$ 14,684,067</u>

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CITY OF DAYTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities -		
	Dayton International Airport	Water	Sewer
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (7,407,867)	\$ 2,226,280	\$ (460,038)
Adjustments:			
Depreciation	9,461,860	6,450,497	7,722,188
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(246,938)	458,550	196,105
Decrease (increase) in due from other funds	-	(78,382)	(5,533)
Decrease (increase) in prepaid assets	22,790	14,892	(27,393)
Decrease in special assessments receivable	(36,448)	28,117	-
(Increase) in materials and supplies inventory	-	-	(80,605)
(Increase) in inventory held for resale	(2,003)	(74,104)	-
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in contracts payable	(791,490)	374,967	118,164
Increase in airline settlement payable	(984,676)	85,893	(169,033)
Increase (decrease) in retainage payable	978,556	-	-
(Decrease) in accrued wages and benefits	1,690,129	(110,243)	(8,596)
Increase (decrease) in due to other funds	(153,701)	(239,000)	(81,250)
Increase (decrease) in due to other governments	8,241	(38,774)	116,908
(Decrease) in voluntary termination benefits payable	(500)	453	(452)
Increase in utility deposits	(26,428)	(160,121)	(10,821)
(Decrease) in compensated absences payable	-	8,350	-
Increase in claims payable	(74,657)	(152,158)	(13,023)
	-	-	-
Net cash provided by operating activities	<u>\$ 2,436,868</u>	<u>\$ 8,795,217</u>	<u>\$ 7,296,621</u>
Non-cash transactions:			

During 2009, the Dayton International Airport received \$1,179,336 in capital grants, which was recognized as a receivable in 2008. A receivable in the amount of \$6,464,106 has been recorded for capital grants in 2009.

At December 31, 2009, the Water, Sewer and Dayton International Airport enterprise funds purchased \$255,170, \$688,659 and \$6,531,307, respectively, in capital assets on account. At December 31, 2008, the Water, Sewer, Dayton International Airport and Storm Sewer enterprise funds purchased \$350,388, \$325,910, \$4,444,664 and \$92,470, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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Enterprise Funds		Governmental Activities - Internal Service Funds
Other Enterprise	Total	
\$ 1,773,398	\$ (3,868,227)	\$ (461,743)
687,355	24,321,900	101,327
(91,009)	316,708	(8,518)
(14,884)	(98,799)	118,315
-	10,289	1,641
13,635	5,304	3,147
(87,522)	(168,127)	-
-	(76,107)	-
-	-	(4,533)
41,878	(256,481)	58,219
(1,449)	(1,069,265)	(49,500)
-	978,556	-
(34,888)	1,536,402	-
(53,731)	(527,682)	(58,681)
(4,875)	81,500	(25,441)
-	(499)	(305,584)
(22,875)	(220,245)	(13,135)
-	8,350	-
(13,539)	(253,377)	(60,694)
-	-	1,022,849
<u>\$ 2,191,494</u>	<u>\$ 20,720,200</u>	<u>\$ 317,669</u>

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CITY OF DAYTON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2009

	Agency
Assets:	
Equity in pooled cash and cash equivalents	
Cash and cash equivalents with fiscal agent	\$ 5,411,900
Investments with fiscal agent	761,040
Receivables (net of allowance for uncollectibles):	
Accounts	4,216,194
	324,684
Total assets	\$ 10,713,818
Liabilities:	
Accounts payable	
Due to other governments	\$ 55,405
Due to others	1,732,719
Withholdings and deposits	3,805,143
	5,120,551
Total liabilities	\$ 10,713,818

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 40,384,697	\$ 15,502,614	\$ 13,884,843	\$ 16,424,603	\$ 86,196,757
Investments	-	-	-	77,085	77,085
Receivables (net of allowance for uncollectibles):					
Property and other local taxes	12,483,649	12,445,095	-	-	24,928,744
Municipal income taxes	15,900,309	-	-	-	15,900,309
Accounts	3,888,246	-	9,786	66,399	3,964,431
Special assessments	603,515	582,638	-	275,951	1,462,104
Accrued interest	972,746	20,366	17,550	15,729	1,026,391
Loans	-	26,260,000	-	-	26,260,000
Interfund loans	726,399	-	-	-	726,399
Prepayments	340,001	-	12,510	-	352,511
Due from other funds	29,284	-	-	78,870	108,154
Due from other governments	8,236,237	533,546	9,971,610	5,608,978	24,350,371
Advances to component unit	-	-	5,393,043	5,683,600	11,076,643
Restricted assets:					
Cash with fiscal and escrow agents	-	484,866	-	-	484,866
Total assets	\$ 83,565,083	\$ 55,829,125	\$ 29,289,342	\$ 28,231,215	\$ 196,914,765
Liabilities:					
Accounts payable	\$ 1,422,563	\$ 948	\$ 1,290,828	\$ 347,369	\$ 3,061,708
Contracts payable	335,082	2,880	1,470,558	712,354	2,520,874
Accrued wages and benefits	4,388,175	2,601	28,344	391,749	4,810,869
Compensated absences payable	486,454	-	-	64,771	551,225
Retainage payable	-	-	1,325,324	-	1,325,324
Interfund loans payable	-	-	-	326,399	326,399
Due to other funds	202,313	-	27,945	16,634	246,892
Due to other governments	5,920,408	-	-	4,701	5,925,109
Claimants payable	25,577	-	-	-	25,577
Pollution remediation obligation	-	-	1,430,000	-	1,430,000
Voluntary termination benefits	442,339	-	-	57,384	499,723
Deferred revenue	17,258,759	4,084,624	7,314,493	4,403,409	33,061,285
Unearned revenue	9,489,109	9,489,109	-	-	18,978,218
Total liabilities	39,970,779	13,580,162	12,887,492	6,324,770	72,763,203
Fund Balances:					
Reserved for encumbrances	1,703,624	45,564	21,815,726	15,360,536	38,925,450
Reserved for prepayments	340,001	-	12,510	-	352,511
Reserved for claims	375,130	-	-	-	375,130
Reserved for advances to component unit	-	-	5,393,043	5,683,600	11,076,643
Reserved for debt service	-	15,943,399	-	-	15,943,399
Reserved for contributions to permanent fund	-	-	-	102,228	102,228
Reserved for loans	-	26,260,000	-	-	26,260,000
Unreserved, designated for various projects, reported in:					
General fund	10,172,634	-	-	-	10,172,634
Special revenue funds	-	-	-	1,116,000	1,116,000
Unreserved, undesignated (deficit), reported in:					
General fund	31,002,915	-	-	-	31,002,915
Special revenue funds	-	-	-	(416,332)	(416,332)
Permanent fund	-	-	-	60,413	60,413
Capital projects funds	-	-	(10,819,429)	-	(10,819,429)
Total fund balances	43,594,304	42,248,963	16,401,850	21,906,445	124,151,562
Total liabilities and fund balances	\$ 83,565,083	\$ 55,829,125	\$ 29,289,342	\$ 28,231,215	\$ 196,914,765

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 109,008,881	\$ -	\$ -	\$ -	\$ 109,008,881
Property and other taxes	9,890,704	9,870,203	1,355,313	-	21,116,220
State shared taxes	16,252,571	-	-	6,136,936	22,389,507
Charges for services	22,900,500	-	89,219	936,730	23,926,449
Licenses and permits	1,803,864	-	10,699	2,590	1,817,153
Fines and forfeitures	1,805,640	-	-	1,103,221	2,908,861
Intergovernmental	1,314,139	1,089,139	9,727,400	13,577,070	25,707,748
Special assessments	286,250	162,985	12,329	84,483	546,047
Investment income	4,061,572	90,752	70,906	63,521	4,286,751
Increase (decrease) in FMV of investments	577,390	18,974	16,352	(13,231)	599,485
Other	5,111,371	236,802	4,107,744	2,433,184	11,889,101
Total revenues	173,012,882	11,468,855	15,389,962	24,324,504	224,196,203
Expenditures:					
Current:					
Downtown	3,729,197	560,000	-	315,000	4,604,197
Youth, education and human services	128,532	-	-	2,452,915	2,581,447
Community development and neighborhoods	14,524,168	-	13,532	6,443,902	20,981,602
Economic development	3,607,301	-	1,960,529	5,623,454	11,191,284
Leadership and quality of life	28,046,613	-	14,412	13,615,278	41,676,303
Corporate responsibility	15,005,722	-	-	1,396,048	16,401,770
Public safety and justice	96,101,123	-	-	3,908,428	100,009,551
Other	685,888	-	-	-	685,888
Capital outlay	-	-	24,852,628	-	24,852,628
Debt service:					
Principal retirement	-	6,151,464	-	501,000	6,652,464
Interest and fiscal charges	-	4,707,848	-	-	4,707,848
Bond issuance costs	-	598,836	-	-	598,836
Total expenditures	161,828,544	12,018,148	26,841,101	34,256,025	234,943,818
Excess (deficiency) of revenues over (under) expenditures	11,184,338	(549,293)	(11,451,139)	(9,931,521)	(10,747,615)
Other financing sources (uses):					
Sale of bonds	-	24,125,480	7,874,520	-	32,000,000
Loan proceeds	-	-	239,750	-	239,750
Discount on bond issuance	-	(348,901)	-	-	(348,901)
Transfers in	-	344,798	1,720,000	7,766,407	9,831,205
Transfers out	(9,556,407)	-	-	-	(9,556,407)
Total other financing sources (uses)	(9,556,407)	24,121,377	9,834,270	7,766,407	32,165,647
Net change in fund balances	1,627,931	23,572,084	(1,616,869)	(2,165,114)	21,418,032
Fund balances at beginning of year (restated)	41,966,373	18,676,879	18,018,719	24,071,559	102,733,530
Fund balances at end of year	\$ 43,594,304	\$ 42,248,963	\$ 16,401,850	\$ 21,906,445	\$ 124,151,562

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities -		
	Dayton International Airport	Water	Sewer
Operating revenues:			
Charges for services	\$ 24,199,137	\$ 45,382,902	\$ 29,612,848
Other	6,868,281	3,561,718	785,309
Total operating revenues	31,067,418	48,944,620	30,398,157
Operating expenses:			
Personal services	9,179,423	15,395,093	7,328,269
Benefit payments	2,723,465	5,170,299	2,125,066
Contractual services	3,662,022	3,685,395	6,800,395
Materials and supplies	932,089	6,008,238	2,119,791
Utilities	1,832,641	6,729,124	3,692,392
Cost of sales	-	-	-
Depreciation	8,973,698	6,343,172	7,463,018
Claims	-	-	-
Other	2,568,210	2,426,838	670,923
Total operating expenses	29,871,548	45,758,159	30,199,854
Operating income (loss)	1,195,870	3,186,461	198,303
Nonoperating revenues (expenses):			
Interest revenue	1,566,398	841,141	-
Increase in fair market value of investments	224,033	132,648	-
Loss on disposal of capital assets	(29,828)	(239,581)	(284,086)
Interest expense and fiscal charges	(2,211,477)	-	(455,715)
Total nonoperating revenues (expenses)	(450,874)	734,208	(739,801)
Income (loss) before capital contributions and transfers	744,996	3,920,669	(541,498)
Capital contributions	21,316,626	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Changes in net assets	22,061,622	3,920,669	(541,498)
Net assets, January 1 (Restated)	223,193,483	157,666,391	106,939,073
Net assets, December 31	\$ 245,255,105	\$ 161,587,060	\$ 106,397,575

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.
Changes in net assets of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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<u>Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>
<u>Other Enterprise</u>	<u>Total</u>	
\$ 9,942,858	\$ 109,137,745	\$ 15,716,125
36,994	11,252,302	5,862
<u>9,979,852</u>	<u>120,390,047</u>	<u>15,721,987</u>
3,777,897	35,680,682	4,323,961
1,020,447	11,039,277	1,240,703
1,701,659	15,849,471	1,186,231
684,555	9,744,673	311,300
210,017	12,464,174	25,465
-	-	5,688,598
619,065	23,398,953	100,819
-	-	1,380,896
243,529	5,909,500	38,567
<u>8,257,169</u>	<u>114,086,730</u>	<u>14,296,540</u>
<u>1,722,683</u>	<u>6,303,317</u>	<u>1,425,447</u>
-	2,407,539	-
-	356,681	-
-	(553,495)	-
<u>(64,535)</u>	<u>(2,731,727)</u>	<u>-</u>
<u>(64,535)</u>	<u>(521,002)</u>	<u>-</u>
1,658,148	5,782,315	1,425,447
-	21,316,626	-
<u>(344,798)</u>	<u>(344,798)</u>	<u>70,000</u>
1,313,350	26,754,143	1,495,447
<u>20,434,527</u>		<u>6,426,715</u>
<u>\$ 21,747,877</u>		<u>\$ 7,922,162</u>
	459,157	
	<u>\$ 27,213,300</u>	

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DAYTON

PUBLIC SCHOOLS

Dayton City School District Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2010



DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2010

	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 7,815,146	\$ 8,603,392	\$ 90,416,387	\$ 45,565,280	\$ 152,400,205
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	8,563,800	603,044	9,166,844
Receivables:					
Property and Other Taxes - Current	46,515,487	9,616,828	-	1,053,484	57,185,799
Property and Other Taxes - Delinquent	20,932,374	3,722,530	-	428,514	25,083,418
Accounts	139,503	-	-	120,192	259,695
Intergovernmental	1,114,334	-	37,438,773	12,127,131	50,680,238
Accrued Interest	243,694	6,428	349,487	33,993	633,602
Due from Other Funds	3,077,510	-	-	7,463	3,084,973
Prepaid Items	1,671	-	24,954	78,495	105,120
Inventory of Supplies and Materials	893,006	-	-	-	893,006
Inventory Held for Resale	-	-	-	97,689	97,689
Restricted Assets:					
Cash and Cash Equivalents w/Fiscal Agent	-	-	1,239,089	-	1,239,089
Total Assets	\$ 80,732,725	\$ 21,949,178	\$ 138,032,490	\$ 60,115,285	\$ 300,829,678
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 436,815	\$ -	\$ 1,909,643	\$ 2,378,683	\$ 4,725,141
Accrued Wages and Benefits Payable	5,651,695	-	-	2,764,153	8,415,848
Intergovernmental Payable	4,426,655	-	-	1,064,955	5,491,610
Due to Other Funds	-	-	-	3,087,679	3,087,679
Deferred Revenue	65,132,789	12,783,196	37,788,260	10,745,715	126,449,960
Matured Compensated Absences Payable	323,809	-	-	58,860	382,669
Retainage Payable from Restricted Assets	-	-	1,239,089	-	1,239,089
Total Liabilities	75,971,763	12,783,196	40,936,992	20,100,045	149,791,996
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	346,458	35,855	63,452,700	13,115,566	76,950,579
Supplies Inventory	893,006	-	-	97,689	990,695
Property Taxes	2,558,766	562,590	-	60,670	3,182,026
Prepaid Items	1,671	-	24,954	78,495	105,120
<u>Unreserved, Undesignated:</u>					
General Fund	961,061	-	-	-	961,061
Special Revenue Funds	-	-	-	7,252,783	7,252,783
Debt Service Fund	-	8,567,537	-	-	8,567,537
Capital Projects Funds	-	-	33,617,844	19,410,037	53,027,881
Total Fund Balances	4,760,962	9,165,982	97,095,498	40,015,240	151,037,682
Total Liabilities and Fund Balances	\$ 80,732,725	\$ 21,949,178	\$ 138,032,490	\$ 60,115,285	\$ 300,829,678

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total Governmental Fund Balances:		\$ 151,037,682
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		424,313,606
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	25,083,418	
Interest	633,602	
State and federal grants	9,290,394	
School construction grants	<u>37,438,773</u>	
		72,446,187
Costs associated with the issuance of long-term bond obligations are deferred and amortized over the life of the bond issue on the accrual basis but are only reported as expenditures in the year in which the bonds are issued.		1,836,286
Internal service funds are used by management to charge the costs of operating the central warehouse and providing health insurance and workers' compensation coverage to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		11,992,065
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
Long-term notes payable	(1,750,000)	
General obligation bonds	(212,675,000)	
Premium on G.O. bonds	(9,070,305)	
Embedded Derivative (Options)	(17,634,841)	
Certificates of participation	(15,070,000)	
QZAB bonds	(10,000,000)	
Accrued interest on long-term obligations	(932,329)	
Compensated absences	(6,040,817)	
Vacation leave payable	(1,304,880)	
Claims payable	(4,824,057)	
Capital leases payable	<u>(2,705,157)</u>	
Total		<u>(282,007,386)</u>
Net Assets of Governmental Activities		<u>\$ 379,618,440</u>

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 57,784,800	\$ 10,314,303	\$ -	\$ 1,180,433	\$ 69,279,536
Intergovernmental	151,583,724	2,908,558	42,599,775	46,642,362	243,734,419
Interest	432,220	7,563	961,063	26,344	1,427,190
Tuition and Fees	1,274,556	-	-	10,660	1,285,216
Rent	553,667	-	-	-	553,667
Gifts and Donations	1,000	-	-	152,354	153,354
Customer Sales and Service	107,484	-	-	1,371,057	1,478,541
Extracurricular Activities	-	-	-	1,321,622	1,321,622
Miscellaneous	3,718,136	-	49,300	800,906	4,568,342
Total Revenues	<u>215,455,587</u>	<u>13,230,424</u>	<u>43,610,138</u>	<u>51,505,738</u>	<u>323,801,887</u>
Expenditures:					
Current:					
Instruction:					
Regular	57,848,656	-	-	3,571,241	61,419,897
Special	20,508,587	-	-	7,380,785	27,889,372
Vocational	2,580,911	-	-	804,811	3,385,722
Adult/Continuing	26,853	-	-	4,397	31,250
Student Intervention Services	188,495	-	-	4,559,340	4,747,835
Support Services:					
Pupils	6,329,939	-	-	3,091,255	9,421,194
Instructional Staff	6,828,530	-	-	11,629,373	18,457,903
Board of Education	1,041,782	-	-	1,691	1,043,473
Administration	9,079,746	-	5,581,357	3,769,959	18,431,062
Fiscal	2,951,751	-	166,686	578,837	3,697,274
Business	1,473,918	-	-	-	1,473,918
Operation and Maintenance of Plant	21,143,978	-	-	780,194	21,924,172
Pupil Transportation	15,400,522	-	-	2,707,629	18,108,151
Central	5,836,847	-	-	925,719	6,762,566
Non-Instructional Services	59,584,893	-	-	13,842,566	73,427,459
Extracurricular Activities	1,062,216	-	-	891,277	1,953,493
Capital Outlay	45,000	-	64,071,933	12,340,639	76,457,572
Debt Service:					
Principal Retirement	886,334	6,295,000	-	350,000	7,531,334
Interest and Fiscal Charges	928,440	10,639,768	-	911,627	12,479,835
Total Expenditures	<u>213,747,398</u>	<u>16,934,768</u>	<u>69,819,976</u>	<u>68,141,340</u>	<u>368,643,482</u>
Excess of Revenues Over (Under)					
Expenditures	<u>1,708,189</u>	<u>(3,704,344)</u>	<u>(26,209,838)</u>	<u>(16,635,602)</u>	<u>(44,841,595)</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Options	-	-	-	9,685,000	9,685,000
Transfers-In	424,972	-	-	3,035,070	3,460,042
Transfers-Out	<u>(3,940,658)</u>	<u>-</u>	<u>-</u>	<u>(444,049)</u>	<u>(4,384,707)</u>
Total Other Financing Sources (Uses)	<u>(3,515,686)</u>	<u>-</u>	<u>-</u>	<u>12,276,021</u>	<u>8,760,335</u>
Net Change in Fund Balance	<u>(1,807,497)</u>	<u>(3,704,344)</u>	<u>(26,209,838)</u>	<u>(4,359,581)</u>	<u>(36,081,260)</u>
Fund Balance at Beginning of Year	<u>6,568,459</u>	<u>12,870,326</u>	<u>123,305,336</u>	<u>44,374,821</u>	<u>187,118,942</u>
Fund Balance at End of Year	<u>\$ 4,760,962</u>	<u>\$ 9,165,982</u>	<u>\$ 97,095,498</u>	<u>\$ 40,015,240</u>	<u>\$ 151,037,682</u>

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See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT
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 FISCAL YEAR ENDED JUNE 30, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (36,081,260)

Amounts reported for governmental activities in the statement of activities are different because:

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 net difference between capital outlay and depreciation expense in the current period.

Capital assets additions	78,814,670	
Current year depreciation	(6,738,028)	
Total	72,076,642	72,076,642

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Loss on disposal of capital assets		(24,757)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes		
Interest	7,306,838	
Other	69,352	
State and federal grants	(75,000)	
School construction grants	8,601,969	
Change in fair value of embedded derivative (options)	(28,279,580)	
Total	(7,949,841)	(20,326,262)

The School District forgave the loan receivable to Dayton Technology Design High School.

(350,000)

In the statement of activities, certain proceeds associated with long-term debt obligations issued during the fiscal year are reported as debt and does not affect the statement of activities. In governmental funds these proceeds are recognized as financing sources and uses.

Proceeds from Sale of Options		(9,685,000)
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Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

7,531,334

Some expenses reported in the statement of activities, such as compensated absences and inter-governmental payable which represents accrued workers' compensation premiums, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences payable	270,546	
Claims payable	(495,906)	
Vacation payable	50,754	
Accrued interest	25,446	
Amortization of bond issuance costs	(101,316)	
Amortization of bond premium	525,992	
Total	275,516	275,516

Internal service funds are used by management to charge the costs of operating the central warehouse as well as providing health insurance and workers' compensation coverage to the individual funds, and are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue or expense of the internal service funds is allocated among the governmental activities.

1,405,585

Change in Net Assets of Governmental Activities
See accompanying notes to the basic financial statements.

\$ 14,821,798

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DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 46,489,136	\$ 59,431,666	\$ 59,431,666	\$ -
Intergovernmental	117,714,088	150,485,573	150,498,997	13,424
Interest	450,763	576,254	576,306	52
Tuition and Fees	1,279,210	1,635,341	1,635,487	146
Rent	433,055	553,617	553,667	50
Customer Sales and Services	84,251	107,707	107,717	10
Gifts and Donations	-	1,000	1,000	-
Miscellaneous	2,954,506	3,257,732	3,281,044	23,312
Total Revenues	169,405,009	216,048,890	216,085,884	36,994
Expenditures:				
Current:				
Instruction:				
Regular	46,452,002	58,487,206	57,773,186	714,020
Special	16,359,738	20,598,367	20,346,900	251,467
Vocational	2,170,354	2,732,669	2,699,305	33,364
Adult/Continuing	22,295	28,071	27,728	343
Student Intervention Services	3,888	188,650	188,638	12
Other	694,584	690,788	680,065	10,723
Support Services:				
Pupils	5,294,781	6,666,600	6,585,214	81,386
Instructional Staff	5,516,068	6,945,221	6,860,434	84,787
Board of Education	865,482	1,089,719	1,076,417	13,302
Administration	7,711,890	9,709,956	9,569,411	140,545
Fiscal	2,382,882	3,000,260	2,965,056	35,204
Business	1,965,210	2,474,374	2,444,167	30,207
Plant Operation and Maintenance	17,265,672	21,739,018	21,473,633	265,385
Pupil Transportation	13,224,259	16,650,518	16,447,249	203,269
Central	4,815,492	6,063,133	5,989,116	74,017
Non Instructional Services	47,892,142	60,321,048	59,584,893	736,155
Extracurricular Activities	851,419	1,072,013	1,058,925	13,088
Capital Outlay	900,542	1,133,862	1,120,020	13,842
Total Expenditures	174,388,700	219,591,473	216,890,357	2,701,116
Excess of Revenues Over(Under)				
Expenditures	(4,983,691)	(3,542,583)	(804,473)	2,738,110
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	143,325	183,227	185,184	1,957
Transfers-In	332,394	424,933	424,972	39
Advances-In	2,999,270	3,834,264	3,809,606	(24,658)
Transfers-Out	(2,424,982)	(2,339,607)	(3,015,993)	(676,386)
Advances-Out	(1,858,175)	(3,032,691)	(2,311,045)	721,646
Total Other Financing Sources (Uses)	(808,168)	(929,874)	(907,276)	22,598
Net Change in Fund Balance	(5,791,859)	(4,472,457)	(1,711,749)	2,760,708
Fund Balance at Beginning of Year	6,903,709	6,903,709	6,903,709	-
Prior Year Encumbrances Appropriated	1,952,852	1,952,852	1,952,852	-
Fund Balance at End of Year	\$ 3,064,702	\$ 4,384,104	\$ 7,144,812	\$ 2,760,708

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2010

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
<u>Assets:</u>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 12,042,288
Accounts Receivable	19,802
Due from Other Funds	2,706
Inventory Held for Resale	<u>976,971</u>
Total Current Assets	13,041,767
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>141,499</u>
Total Assets	<u>13,183,266</u>
<u>Liabilities:</u>	
Current Liabilities:	
Accounts Payable	16,297
Accrued Wages and Benefits Payable	2,281
Intergovernmental Payable	1,031,124
Claims Payable	1,390,903
Compensated Absences Payable	<u>497</u>
Total Current Liabilities	2,441,102
Noncurrent Liabilities:	
Claims Payable	3,433,154
Compensated Absences Payable	<u>7,549</u>
Total Noncurrent Liabilities	3,440,703
Total Liabilities	<u>5,881,805</u>
<u>Net Assets:</u>	
Invested in Capital Assets	141,499
Unrestricted	<u>7,159,962</u>
Total Net Assets	<u>\$ 7,301,461</u>

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Internal Service Funds</u>
Operating Revenues:		
Sales		\$ 489,850
Charges for Services		28,461,769
Other Revenues		<u>19,802</u>
Total Operating Revenues		<u>28,971,421</u>
Operating Expenses:		
Salaries and Wages		676,492
Fringe Benefits		335,519
Purchased Services		2,577,271
Claims		24,427,235
Supplies and Materials		405,112
Cost of Sales		565,587
Depreciation		<u>19,696</u>
Total Operating Expenses		<u>29,006,912</u>
Loss Before Transfers		(35,491)
Transfers-In		<u>924,665</u>
Change in Net Assets		889,174
Net Assets at Beginning of Year		<u>6,412,287</u>
Net Assets at End of Year		<u>\$ 7,301,461</u>

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities
	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$ 28,960,537
Cash Payments to Suppliers for Goods	(4,822,719)
Cash Payments to Employees for Services	(676,196)
Cash Payments for Employees Benefits	(335,146)
Cash Payments for Claims	(23,931,329)
Net Cash Provided by (Used in) Operating Activities	(804,853)
Cash Flows from Noncapital Financing Activities	
Transfers-In	924,665
Net Increase in Cash and Cash Equivalents	119,812
Cash and Cash Equivalents Beginning of Year	11,922,476
Cash and Cash Equivalents End of Year	\$ 12,042,288
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating Income (Loss)	(35,491)
Adjustments:	
Depreciation	19,696
Increase in Accounts Receivable	(10,884)
Increase in Due from Other Funds	(2,706)
Decrease in Inventory Held for Resale	392,488
Decrease in Accounts Payable	(1,590,163)
Increase in Accrued Wages and Benefits	296
Increase in Compensated Absences	809
Decrease in Intergovernmental Payable	(74,804)
Increase in Claims Payable	495,906
Net Cash Provided by (Used in) Operating Activities	(\$804,853)

See accompanying notes to the basic financial statements.

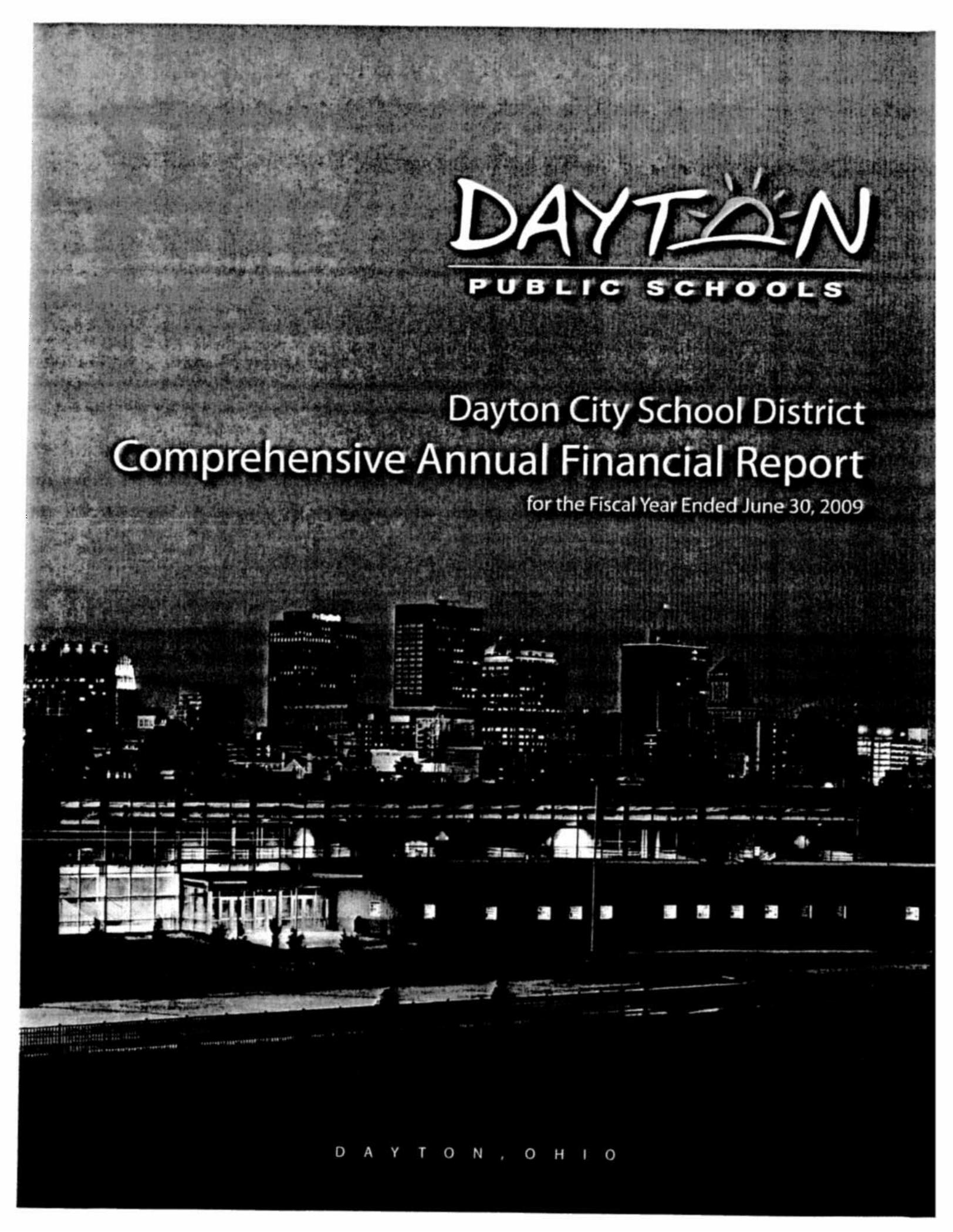
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DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2010

	<u>Agency Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ <u>134,844</u>
Liabilities:	
Accounts Payable	\$ 2,676
Due to Students	<u>132,168</u>
Total Liabilities	\$ <u>134,844</u>

See accompanying notes to the basic financial statements.

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DAYTON

PUBLIC SCHOOLS

Dayton City School District Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2009

DAYTON, OHIO

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

	General Fund	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 8,369,829	\$ 11,939,634	\$ 117,421,931	\$ 51,607,751	\$ 189,339,145
Cash and Cash Equivalents:					
In Segregated Accounts	518,301	-	-	-	518,301
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	7,711,100	519,852	8,230,952
Receivables:					
Taxes - Current	49,915,691	12,685,991	-	1,290,570	63,892,252
Taxes - Delinquent	14,852,664	2,624,336	-	299,580	17,776,580
Accounts	140,170	-	-	369,218	509,388
Intergovernmental	29,607	-	65,718,353	1,906,214	67,654,174
Interest	179,006	56	377,656	7,532	564,250
Due from Other Funds	4,623,804	-	-	22,754	4,646,558
Prepaid Items	809	-	-	420,925	458,577
Inventory of Supplies and Materials	715,338	-	-	-	715,338
Inventory Held for Resale	-	-	-	130,047	130,047
Restricted Assets:					
Cash and Cash Equivalents w/Fiscal Agent	-	-	581,437	-	581,437
Total Assets	\$ 79,345,219	\$ 27,250,017	\$ 191,847,320	\$ 56,574,443	\$ 355,016,999
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$ 585,403	\$ -	\$ 1,864,538	\$ 3,095,182	\$ 5,545,123
Accrued Wages and Benefits Payable	7,172,940	-	-	959,078	8,132,018
Intergovernmental Payable	3,967,498	-	-	897,600	4,865,098
Due to Other Funds	1,448	-	-	4,645,110	4,646,558
Deferred Revenue	60,816,729	14,379,691	66,096,009	2,536,649	143,829,078
Matured Compensated Absences Payable	232,742	-	-	66,003	298,745
Retainage Payable from Restricted Assets	-	-	581,437	-	581,437
Total Liabilities	72,776,760	14,379,691	68,541,984	12,199,622	167,898,057
Fund Balances:					
Reserved for:					
Encumbrances	1,367,450	40,167	45,337,205	14,522,073	61,266,895
Supplies Inventory	715,338	-	-	130,047	845,385
Property Taxes	4,205,632	930,692	-	99,458	5,235,782
Prepaid Items	809	-	36,843	420,925	458,577
Unreserved, Undesignated:					
General Fund	279,230	-	-	-	279,230
Special Revenue Funds	-	-	-	4,716,508	4,716,508
Debt Service Fund	-	11,899,467	-	-	11,899,467
Capital Projects Funds	-	-	77,931,288	24,485,810	102,417,098
Total Fund Balances	6,568,459	12,870,326	123,305,336	44,374,821	187,118,942
Total Liabilities and Fund Balances	\$ 79,345,219	\$ 27,250,017	\$ 191,847,320	\$ 56,574,443	\$ 355,016,999

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

Total Governmental Fund Balances:		\$ 187,118,942
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		352,261,721
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	17,776,580	
Interest	564,250	
Other	425,000	
State and federal grants	688,425	
School construction grants	<u>65,718,353</u>	
		85,172,608
Costs associated with the issuance of long-term bond obligations are deferred and amortized over the life of the bond issue on the accrual basis but are only reported as expenditures in the year in which the bonds are issued.		1,937,602
Internal service funds are used by management to charge the costs of operating the central warehouse and providing dental insurance and workers' compensation coverage to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		6,258,329
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due		(957,775)
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
Long-term notes payable	(2,100,000)	
General obligation bonds	(218,970,000)	
Premium on G.O. bonds	(9,596,297)	
Certificates of participation	(15,350,000)	
QZAB bonds	(10,000,000)	
Compensated absences	(6,311,363)	
Vacation Leave Payable	(1,355,634)	
Capital leases payable	<u>(3,311,491)</u>	
Total		<u>(266,994,785)</u>
Net Assets of Governmental Activities		<u>\$ 364,796,642</u>

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General Fund	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 63,170,134	\$ 11,721,470	\$ -	\$ 1,331,689	\$ 76,223,293
Intergovernmental	128,617,843	2,942,724	40,990,636	61,090,188	233,641,391
Interest	1,256,351	69,784	4,010,368	446,109	5,782,612
Tuition and Fees	2,101,599	-	-	4,085	2,105,684
Rent	265,464	-	-	-	265,464
Gifts and Donations	-	-	-	470	470
Customer Sales and Service	157,282	-	-	1,595,510	1,752,792
Extracurricular Activities	-	-	-	955,504	955,504
Miscellaneous	3,929,610	-	11,772	817,207	4,758,589
Total Revenues	<u>199,498,283</u>	<u>14,733,978</u>	<u>45,012,776</u>	<u>66,240,762</u>	<u>325,485,799</u>
Expenditures:					
Current:					
Instruction:					
Regular	46,628,530	-	-	16,018,525	62,647,055
Special	21,494,158	-	-	6,078,685	27,572,843
Vocational	2,825,907	-	-	625,244	3,451,151
Adult/Continuing	23,399	-	-	398,568	421,967
Student Intervention Services	-	-	-	5,267,148	5,267,148
Support Services:					
Pupils	7,049,207	-	-	3,622,643	10,671,850
Instructional Staff	6,087,806	-	-	9,331,085	15,418,891
Board of Education	704,595	-	-	-	704,595
Administration	11,235,134	-	3,676,353	1,200,537	16,112,024
Fiscal	3,182,649	-	168,445	398,328	3,749,422
Business	1,664,969	-	-	-	1,664,969
Plant Operation and Maintenance	19,258,213	-	-	2,762,092	22,020,305
Pupil Transportation	14,972,643	-	-	320,198	15,292,841
Central	5,061,719	-	-	2,484,600	7,546,319
Non-Instructional Services	54,534,192	-	-	17,388,027	71,922,219
Extracurricular Activities	819,243	-	-	1,091,449	1,910,692
Capital Outlay	-	-	37,821,711	13,957,613	51,779,324
Debt Service:					
Principal Retirement	830,890	5,675,000	-	350,000	6,855,890
Interest and Fiscal Charges	962,660	11,087,540	-	83,016	12,133,216
Total Expenditures	<u>197,335,914</u>	<u>16,762,540</u>	<u>41,666,509</u>	<u>81,377,758</u>	<u>337,142,721</u>
Excess of Revenues Over(Under)					
Expenditures	<u>2,162,369</u>	<u>(2,028,562)</u>	<u>3,346,267</u>	<u>(15,136,996)</u>	<u>(11,656,922)</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	98,849	-	-	-	98,849
Transfers-In	-	-	-	23,006,814	23,006,814
Transfers-Out	(585,063)	-	(19,953,143)	(3,053,671)	(23,591,877)
Total Other Financing Sources (Uses)	<u>(486,214)</u>	<u>-</u>	<u>(19,953,143)</u>	<u>19,953,143</u>	<u>(486,214)</u>
Net Change in Fund Balance	1,676,155	(2,028,562)	(16,606,876)	4,816,147	(12,143,136)
Fund Balance at Beginning of Year	<u>4,892,304</u>	<u>14,898,888</u>	<u>139,912,212</u>	<u>39,558,674</u>	<u>199,262,078</u>
Fund Balance at End of Year	<u>\$ 6,568,459</u>	<u>\$ 12,870,326</u>	<u>\$ 123,305,336</u>	<u>\$ 44,374,821</u>	<u>\$ 187,118,942</u>

See accompanying notes to the basic financial statements.

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DAYTON CITY SCHOOL DISTRICT
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 FISCAL YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances - Total Governmental Funds		\$ (12,143,136)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 net difference between capital outlay and depreciation expense in the current period.		
Capital asset additions	51,893,801	
Current year depreciation	<u>(4,814,881)</u>	
Total		47,078,920
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Proceeds from sale of capital assets	(98,849)	
Loss on disposal of capital assets	<u>(100,105)</u>	
Total		(198,954)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	3,476,884	
Interest	(516,965)	
Other	425,000	
State and federal grants	(5,586,946)	
School construction grants	<u>(17,683,613)</u>	
Total		(19,885,640)
Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		6,855,890
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 governmental funds. The difference in the amount of interest on the statement of activities is the result of the following:		
Accrued interest	15,330	
Amortization of bond issuance costs	(101,316)	
Amortization of bond premium	<u>525,992</u>	
		440,006
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences payable	(144,684)	
Vacation Payable	<u>(298,226)</u>	
Total		(442,910)
Internal service funds are used by management to charge the costs of operating the central warehouse as well as providing dental insurance and workers' compensation coverage to the individual funds, and are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue or expense of the internal service funds is allocated among the governmental activities.		
		<u>1,170,681</u>
Change in Net Assets of Governmental Activities		\$ 22,874,857

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 63,878,202	\$ 62,780,711	\$ 62,830,615	\$ 49,904
Intergovernmental	130,547,354	128,510,299	128,612,451	102,152
Interest	1,292,536	1,210,176	1,224,438	14,262
Tuition and Fees	2,031,625	2,000,273	2,001,863	1,590
Rent	269,410	265,253	265,464	211
Customer Sales and Services	157,049	157,049	157,049	-
Miscellaneous	4,074,917	4,010,463	4,013,776	3,313
Total Revenues	202,251,093	198,934,224	199,105,656	171,432
Expenditures:				
Current:				
Instruction:				
Regular	44,708,306	44,292,765	43,424,576	868,189
Special	21,308,096	21,110,048	20,696,267	413,781
Vocational	2,871,748	2,845,057	2,789,290	55,767
Adult/Continuing	24,514	24,286	23,810	476
Other	1,261,473	1,249,748	1,225,251	24,497
Support Services:				
Pupils	7,294,908	7,227,106	7,085,446	141,660
Instructional Staff	6,271,018	6,212,732	6,090,955	121,777
Board of Education	1,297,620	1,285,559	1,260,361	25,198
Administration	11,667,300	11,558,858	11,332,291	226,567
Fiscal	3,291,530	3,260,937	3,197,019	63,918
Business	2,473,880	2,450,887	2,402,846	48,041
Plant Operation and Maintenance	20,346,063	20,156,956	19,761,857	395,099
Pupil Transportation	16,696,254	16,541,071	16,216,847	324,224
Central	5,402,742	5,352,527	5,247,611	104,916
Non Instructional Services	56,146,014	55,624,165	54,533,867	1,090,298
Extracurricular Activities	848,193	840,309	823,838	16,471
Capital Outlay	1,084,891	1,074,808	1,053,740	21,068
Total Expenditures	202,994,550	201,107,819	197,165,872	3,941,947
Excess of Revenues Over(Under) Expenditures	(743,457)	(2,173,595)	1,939,784	4,113,379
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	100,319	98,674	98,849	175
Advances-In	1,746,587	1,717,943	1,721,000	3,057
Advances-Out	(3,954,349)	(3,917,596)	(3,840,806)	76,790
Refund Prior Year Receipts	(36,689)	(36,348)	(35,635)	713
Total Other Financing Sources (Uses)	(2,144,132)	(2,137,327)	(2,056,592)	80,735
Net Change in Fund Balance	(2,887,589)	(4,310,922)	(116,808)	4,194,114
Fund Balance at Beginning of Year	252,868	4,087,755	4,087,755	-
Prior Year Encumbrances Appropriated	4,856,588	2,932,762	2,932,762	-
Fund Balance at End of Year	\$ 2,221,867	\$ 2,709,595	\$ 6,903,709	\$ 4,194,114

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2009

	<u>Governmental</u>	
	<u>Activities</u>	
		<u>Internal</u>
		<u>Service Funds</u>
<u>Assets:</u>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 11,922,476	
Accounts Receivable	8,918	
Inventory Held for Resale	<u>1,369,459</u>	
Total Current Assets		13,300,853
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation		<u>161,195</u>
Total Assets		<u>13,462,048</u>
<u>Liabilities:</u>		
Current Liabilities:		
Accounts Payable	1,606,460	
Accrued Wages and Benefits Payable	1,985	
Intergovernmental Payable	1,105,928	
Claims Payable	4,328,151	
Compensated Absences Payable	<u>405</u>	
Total Current Liabilities		<u>7,042,929</u>
Noncurrent Liabilities:		
Compensated Absences Payable		<u>6,832</u>
Total Liabilities		<u>7,049,761</u>
<u>Net Assets:</u>		
Invested in Capital Assets		161,195
Unrestricted		<u>6,251,092</u>
Total Net Assets	\$	<u>6,412,287</u>

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Sales	\$ 619,461
Charges for Services	16,631,872
Other Revenues	50,711
Total Operating Revenue	17,302,044
Operating Expenses:	
Salaries and Wages	480,469
Fringe Benefits	218,330
Purchased Services	2,969,043
Claims	12,384,654
Supplies and Materials	102,038
Cost of Sales	569,129
Depreciation	7,445
Total Operating Expenses	16,731,108
Income Before Transfers	570,936
Transfers-In	585,063
Change in Net Assets	1,155,999
Net Assets - Beginning of Year	5,256,288
Net Assets - End of Year	\$ 6,412,287

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Governmental</u>	<u>Activities</u>
	<u>Internal</u>	<u>Service Funds</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided	\$	17,293,589
Cash Payments to Suppliers for Goods and Services		(2,657,684)
Cash Payments to Employees for Services		(674,954)
Cash Payments for Employee Benefits		(17,414)
Cash Payments for Claims		(10,172,003)
Net Cash Provided by Operating Activities		<u>3,771,534</u>
Cash Flows from Noncapital Financing Activities:		
Transfers In		<u>585,063</u>
Net Cash Provided from Noncapital Financing Activities		<u>585,063</u>
Net Increase in Cash and Cash Equivalents		4,356,597
Cash and Cash Equivalents Beginning of Year		<u>7,565,879</u>
Cash and Cash Equivalents End of Year	\$	<u>11,922,476</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating Income	\$	570,936
Adjustments:		
Depreciation		7,445
(Increase) in Accounts Receivable		(8,455)
(Increase) in Inventory Held for Resale		(106,862)
Increase in Accounts Payable		1,543,225
(Decrease) in Accrued Wages and Benefits		(809)
Increase in Compensated Absences Payable		7,237
(Decrease) in Intergovernmental Payable		(453,834)
Increase in Claims Payable		<u>2,212,651</u>
Net Cash Provided by Operating Activities	\$	<u>3,771,534</u>

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See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2009

	<u>Agency Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 146,301</u>
Liabilities:	
Accounts Payable	\$ 9,768
Due to Students	<u>136,533</u>
Total Liabilities	<u>\$ 146,301</u>

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See accompanying notes to the basic financial statements.

ANNUAL OPERATING BUDGET SUMMARY REQUEST FOR FY 2012

Please Check One:

- Original Budget Submission
 Budget Solution
 Budget Restoration
 Service Enhancement

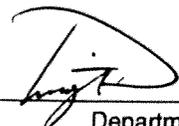
Fund Code: 10000 Fund Name: GENERAL FUND

Org. Code: 2600 Org. Name: Economic Development

Acct	Description	2011 Budget	2012				2012 Bgt. Total	% Change	M&B Only
			Program 41	Program Less 3 CSD	Program Add. Pay	Program ?			
1611	Wages - Civilian	651,800	663,624	(7,651)			655,973	0.6%	
1640	Overtime - Regular - Civilian	-				200	200	Undef.	
1716	Longevity Pay	1,800				1,950	1,950	8.3%	
1720	Executive Benefits	3,800				3,812	3,812	0.3%	
1753	Car Allowance/Mileage	2,000				1,500	1,500	-25.0%	
1756	Cell phone reimbursement	400				600	600	50.0%	
1813	United Health Care Option 1	75,400	87,791				87,791	16.4%	
1817	Dental Ins. - Mid.-Mgt. 1	6,100	6,451				6,451	5.8%	
1819	Health Ins. - Waiver	2,400	2,400				2,400	0.0%	
1912	Pension - Civilian	91,100	92,907	(1,072)	1,129		92,964	2.0%	
1913	Workers' Comp.	27,000	27,540	(318)	335		27,557	2.1%	
1914	Unemployment Comp.	1,300	2,654	(31)	32		2,655	104.2%	
1915	Medicare	9,400	8,782	(111)	117		8,788	-6.5%	
1916	Employee Termination	9,700	10,618	(122)	129		10,625	9.5%	
1918	Life Insurance	200	450				450	125.0%	
1921	H S A City Contribution	22,500	22,500				22,500		
Total Personnel Costs		904,900	925,717	(9,305)	9,804	-	926,216	2.4%	
Contracts and Materials									
1111	Travel and Training	7,500	7,500				7,500	0.0%	
1132	Postage & Mailing Services	2,000	1,000				1,000	-50.0%	
1152	Legal Services	30,000	10,000				10,000	-66.7%	
1159	Other Professional Services	40,000	40,000				40,000	0.0%	
1191	Legal Advertising	4,000	2,000				2,000	-50.0%	
1192	Marketing/Promotional Ads	20,000	20,000				20,000	0.0%	
1201	In House Reproduction Charges	8,000	5,000				5,000	-37.5%	
1221	Miscellaneous	10,000	10,000				10,000	0.0%	
1301	Supplies and Materials	15,000	10,000				10,000	-33.3%	
Total Contracts & Materials		136,500	105,500	-	-	-	105,500	-22.7%	
Capital Equipment									
Total Capital Equipment		-	-	-	-	-	-	Undef.	
Debt Service									
Total Debt Service		-	-	-	-	-	-	Undef.	
Operating Transfers Out									
Total Operating Transfers Out		-	-	-	-	-	-	Undef.	
GRAND TOTAL BUDGET		1,041,400	1,031,217	(9,305)	9,804	-	1,031,716	-0.9%	

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Division Manager _____ Date _____


 _____ 18 Nov 2011
 Department Director Date

ANNUAL OPERATING BUDGET SUMMARY REQUEST FOR FY 2012 (Rev. 11/16/11)

Please Check One:

- Original Budget Submission
- Budget Solution
- Budget Restoration
- Service Enhancement

Fund Code: 10000 Fund Name: GENERAL FUND
 Org. Code: 5560 Org. Name: DIVISION OF INFORMATION TECHNOLOGY
 was

Acct	Description	2011 Budget	2012				2012 Bgt. Total	% Change	M&B Only
			Program 65	Program ?	Program ?	Program ?			
1611	Wages - Civilian	1,578,200	1,624,200				1,624,200	2.9%	
1625	Part-Time Wages - Civilian	26,700	0				-	-100.0%	
1640	Overtime - Regular - Civilian	36,800	53,000				53,000	44.0%	
1712	Holiday Pay	13,000	8,500				8,500	-34.6%	
1714	Shift Pay	4,500	4,200				4,200	-6.7%	
1716	Longevity Pay	6,000	6,500				6,500	8.3%	
1751	Meal Allowance	500	1,000				1,000	100.0%	
1756	Cell phone reimbursement	1,300	1,300				1,300	0.0%	
1813	United Health Care Option 1	228,800	296,100				296,100	29.4%	
1816	Dental Ins. - DPSU/AFSCME	2,400	2,400				2,400	0.0%	
1817	Dental Ins. - Mid.-Mgt. 1	12,600	13,500				13,500	7.1%	
1819	Health Ins. - Waiver	4,700	0				-	-100.0%	
1912	Pension - Civilian	233,200	237,600				237,600	1.9%	
1913	Workers' Comp.	69,100	70,400				70,400	1.9%	
1914	Unemployment Comp.	3,300	6,800				6,800	106.1%	
1915	Medicare	24,100	23,700				23,700	-1.7%	
1916	Employee Termination	25,000	27,200				27,200	8.8%	
1918	Life Insurance	700	700				700	0.0%	
1921	HSB	66,000	70,500				70,500	6.8%	
Total Personnel Costs		2,336,900	2,447,600	0	-	-	2,447,600	4.7%	
Contracts and Materials									
1111	Travel and Training	6,900	6,900				6,900	0.0%	
1131	Telephone	1,600	1,600				1,600	0.0%	
1132	Postage & Mailing Services	20,000	13,500				13,500	-32.5%	
1156	Training/Counseling Services	36,400	36,400				36,400	0.0%	
1159	Other Professional Services	477,750	539,700				539,700	13.0%	
1162	Fleet Charges/Direct Bills	300	3,000				3,000	900.0%	
1164	Computer Maintenance	13,500	500				500	-96.3%	
1166	Maintenance Agreements	1,214,250	1,178,600				1,178,600	-2.9%	
1167	Other Equipment Maintenance	28,100	2,400				2,400	-91.5%	
1201	In House Reproduction Charges	14,000	11,000				11,000	-21.4%	
1301	Supplies and Materials	53,700	47,100				47,100	-12.3%	
Total Contracts & Materials		1,866,500	1,840,700	0	-	-	1,840,700	-1.4%	
GRAND TOTAL BUDGET		4,203,400	4,288,300	0	-	-	4,288,300	2.0%	

Added

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Division Manager Date


 Department Director Date

1 ANNUAL OPERATING BUDGET SUMMARY REQUEST FOR FY 2012 (Rev. 11/16/11)

Please Check One:

- Original Budget Submission
 Budget Solution
 Budget Restoration
 Service Enhancement

Fund Code: 10000 Fund Name: GENERAL FUND

Org. Code: 5570 Org. Name: Information Technology Communication Systems was

Acct	Description	2011 Budget	2012				2012 Bgt. Total	% Change	M O
			Program 65	Program ?	Program ?	Program ?			
1611	Wages - Civilian	108,700	110,900				110,900	2.0%	
1640	Overtime - Regular - Civilian	2,600	1,600				1,600	-38.5%	
1712	Holiday Pay	2,800	2,800				2,800	0.0%	
1716	Longevity Pay	600	900				900	50.0%	
1813	United Health Care Option 1	14,800	17,600				17,600	18.9%	
1816	Dental Ins. - DPSU/AFSCME	1,000	1,000				1,000	0.0%	
1912	Pension - Civilian	16,100	16,300				16,300	1.2%	
1913	Workers' Comp.	4,700	4,800				4,800	2.1%	
1914	Unemployment Comp.	200	500				500	150.0%	
1915	Medicare	1,700	1,700				1,700	0.0%	
1916	Employee Termination	1,800	1,900				1,900	5.6%	
1918	Life Insurance		100				100	Undef.	
1921	HSB	4,500	4,500				4,500	0.0%	
Total Personnel Costs		159,500	164,600	0	-	-	164,600	3.2%	
Contracts and Materials									
1131	Telephone	1,022,500	933,100				933,100	-8.7%	
1159	Other Professional Services	5,600	4,500				4,500	-19.6%	
1162	Fleet Charges/Direct Bills	600	1,000				1,000	66.7%	
1164	Computer Maintenance	45,000	50,000				50,000	11.1%	
1166	Maintenance Agreements	782,000	707,400				707,400	-9.5%	
1167	Other Equipment Maintenance	68,000	67,400				67,400	-0.9%	
1201	In House Reproduction Charges	300	400				400	33.3%	
1221	Miscellaneous	200	200				200	0.0%	
1301	Supplies and Materials	10,000	10,000				10,000	0.0%	
1360	Gasoline & Diesel Fuel	700	900				900	28.6%	
Total Contracts & Materials		1,934,900	1,774,900	0	-	-	1,774,900	-8.3%	
GRAND TOTAL BUDGET		2,094,400	1,939,500	0	-	-	1,939,500	-7.4%	

(checked)

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[Signature] 1/6/11
Department Director Date

SECTION 4: Financial Documentation (continued)

Anticipated Project Cost: \$100,000 for Feasibility Study and legal consultation

If awarded, funding will be used to commission a study exploring feasibility and legal issues related to moving forward with a collaboration agreement. The COD expects costs of these services to be approximately \$100,000.

Percentage of local matching funds: 45% (\$45,000)

This percentage is determined by the in kind match of City of Dayton and Dayton Public Schools. Staff will be integrally involved in the process of selecting the consultant, as well as the need for research, review and support of the feasibility study. Staff resources and time from both partners will be needed to pull data, meet and review objectives with the consultant, establish the agreements and develop the working relationship.

Those involved in the project will include a variety of different levels: Management, Economic Development, Information Technology, Engineering, Finance, and Management and Budget personnel.

We anticipate approximately 625 hours of staff time at an average total cost of \$40/hour (\$25,000), plus cash match of \$20,000.

Three years of financial projections and anticipated savings:

Sharing services creates efficiencies that can save resources for both entities. DPS, for example, presently spends approximately \$300,000, annually for fiber assets. It is anticipated that the shared services agreement we hope to result from the feasibility study will at least save 33% of this annual expense for DPS; generating a minimum efficiency savings of \$100,000, annually for DPS, alone.

While these efficiencies are expected to result from the study and its implementation, the major objective and focus of the study will be to create increased tax revenues through economic development.

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TAB 5
SUPPORTING DOCUMENTATION

SECTION 5: Supporting Documentation

TABLE OF CONTENTS FOR ADDITIONAL SUPPORTING DOCUMENTATION

- 1. Executed partnership (will be submitted by April 1)**
- 2. Resolution of support (Final versions will be submitted by April 1)**
 - a. Draft Resolution from City of Dayton**
- 3. Documentation from 2010 U.S. Census**
- 4. Self-score assessment**
- 5. City of Dayton Past Examples for Partnerships and Service Sharing Projects**
- 6. Dayton Broadband Strategic Plan**
- 7. Map of Dayton Optical Fiber Network**

PLACE HOLDER:

Executed Partnership Agreement/Memorandum of Understanding between City of Dayton and Dayton Public Schools.

To be submitted no later than April 1, 2012

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PLACE HOLDER:

Resolution from Dayton Public Schools supporting this Grant Application

To be submitted no later than April 1, 2012

5-2

EMERGENCY MEASURE
Requiring 2 Separate Meetings _____
or One Meeting _____

By.....

No.....

A RESOLUTION

Authorizing the City Manager to File Grant Applications with the State of Ohio Local Government Innovation Fund, and Declaring an Emergency

WHEREAS, The State of Ohio established in its biannual budget a Local Government Innovation Fund with an appropriation of \$45 million; and

WHEREAS, Within the Local Government Innovation Fund, \$9 million is allocated for grants for local governments to complete feasibility studies; and

WHEREAS, The City of Dayton would be the lead agency in preparing, submitting and administering grant applications and awards from the Local Government Innovation Fund; and

WHEREAS, First round grant applications are due on March 1, 2012, making it necessary for the immediate preservation of the public peace, property, health and safety that this resolution take effect at an early date; now, therefore,

BE IT RESOLVED BY THE COMMISSION OF THE CITY OF DAYTON:

Section 1. That the City Manager is hereby authorized to file grant applications with the State of Ohio Local Government Innovation Fund for feasibility studies on potential shared service projects.

Section 2. That for the reasons set forth in the preamble hereof, the Commission declares this resolution to be an emergency measure which shall take effect immediately upon its adoption.

Adopted by the Commission....., 2012

Signed by the Mayor....., 2012

Attest:

Mayor of the City of Dayton, Ohio

Clerk of the Commission

Approved as to form:

[Signature]

City Attorney

5-3

2010 Demographic Profile

OH - Dayton city

Population

Total Population	141,527
------------------	---------

Housing Status (in housing units unless noted)

Total	74,065
Occupied	58,404
Owner-occupied	29,135
Population in owner-occupied (number of individuals)	66,057
Renter-occupied	29,269
Population in renter-occupied (number of individuals)	66,105
Vacant	15,661
Vacant: for rent	5,475
Vacant: for sale	1,409
Vacant: for seasonal/recreational/occasional use	145

Population by Sex/Age

Male	68,951
Female	72,576
Under 18	32,441
18 & over	109,086
20 - 24	14,124
25 - 34	19,153
35 - 49	26,380
50 - 64	26,733
65 & over	16,674

Population by Ethnicity

Hispanic or Latino	4,180
Non Hispanic or Latino	137,347

Population by Race

White	73,193
African American	60,705
Asian	1,206
American Indian and Alaska Native	417
Native Hawaiian and Pacific Islander	52
Other	1,828
Identified by two or more	4,126

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OH - Montgomery County

Population

Total Population	535,153
------------------	---------

Housing Status (in housing units unless noted)

Total	254,775
Occupied	223,943
Owner-occupied	141,022
Population in owner-occupied (number of individuals)	338,287
Renter-occupied	82,921
Population in renter-occupied (number of individuals)	182,724
Vacant	30,832
Vacant: for rent	12,375
Vacant: for sale	4,213
Vacant: for seasonal/recreational/occasional use	890

Population by Sex/Age

Male	256,961
Female	278,192
Under 18	123,279
18 & over	411,874
20 - 24	35,955
25 - 34	67,089
35 - 49	104,574
50 - 64	108,054
65 & over	81,041

Population by Ethnicity

Hispanic or Latino	12,177
Non Hispanic or Latino	522,976

Population by Race

White	395,272
African American	111,870
Asian	9,273
American Indian and Alaska Native	1,242
Native Hawaiian and Pacific Islander	177
Other	4,472
Identified by two or more	12,847

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OH - Ohio

Population

Total Population	11,536,504
------------------	------------

**Housing Status
(in housing units unless noted)**

Total	5,127,508
Occupied	4,603,435
Owner-occupied	3,111,054
Population in owner-occupied (number of individuals)	7,889,424
Renter-occupied	1,492,381
Population in renter-occupied (number of individuals)	3,340,814
Vacant	524,073
Vacant: for rent	184,143
Vacant: for sale	78,089
Vacant: for seasonal/recreational/occasional use	58,591

Population by Sex/Age

Male	5,632,156
Female	5,904,348
Under 18	2,730,751
18 & over	8,805,753
20 - 24	763,116
25 - 34	1,409,959
35 - 49	2,334,965
50 - 64	2,339,323
65 & over	1,622,015

Population by Ethnicity

Hispanic or Latino	354,674
Non Hispanic or Latino	11,181,830

Population by Race

White	9,539,437
African American	1,407,681
Asian	192,233
American Indian and Alaska Native	25,292
Native Hawaiian and Pacific Islander	4,066
Other	130,030
Identified by two or more	237,765

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Local Government Innovation Fund Program

Application Scoring

Lead Applicant	City of Dayton
Project Name	Fiber Optic Network Collaboration

<input checked="" type="checkbox"/>	Grant Application
-------------------------------------	--------------------------

or

<input type="checkbox"/>	Loan Application
--------------------------	-------------------------

The Local Government Innovation Fund Council
77 South High Street
P.O. Box 1001
Columbus, Ohio 43216-1001
(614) 995-2292

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Local Government Innovation Fund Project Scoring Sheet

Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Financial Information	<i>Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.</i>	Applicant provides a thorough, detailed and complete financial information	5	<input checked="" type="radio"/>	
		Applicant provided more than minimum requirements but did not provide additional justification or support	3	<input type="radio"/>	
		Applicant provided minimal financial information	1	<input type="radio"/>	
		Points	5	0	
Repayment Structure (Loan Only)	<i>Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency rainy day, or contingency fund, etc.).</i>	Applicant clearly demonstrates a secondary repayment source.	5	<input type="radio"/>	
		Applicant does not have a secondary repayment source.	0	<input type="radio"/>	
		Points	0	0	
Local Match	<i>Percentage of local matching funds being contributed to the project. This may include in-kind contributions.</i>	70% or greater	5	<input type="radio"/>	
		40-69.99%	3	<input checked="" type="radio"/>	
		10-39.99%	1	<input type="radio"/>	
		Points	3	0	
Total Section Points				8	0

Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Population	<i>Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the smallest population listed in the application. Applications from (or collaborating with) small communities are preferred.</i>	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	5	<input type="radio"/>	
		Applicant (or collaborative partner) is a county but has less than 235,000	5	<input type="radio"/>	
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	3	<input checked="" type="radio"/>	
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	3	<input type="radio"/>	
		Points	3	0	
Participating Entities	<i>Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)</i>	More than one applicant	5	<input checked="" type="radio"/>	
		Single applicant	1	<input type="radio"/>	
		Points	5	0	
Total Section Points				8	0

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Local Government Innovation Fund Project Scoring Sheet

Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	<i>Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:</i>	75% or greater	30	<input checked="" type="radio"/>	
		25.01% to 74.99%	20	<input type="radio"/>	
		Less than 25%	10	<input type="radio"/>	
		Points			30
Past Success	<i>Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.</i>	Yes	5	<input checked="" type="radio"/>	
		No	0	<input type="radio"/>	
		Points			5
Scalable/Replicable Proposal	<i>Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.</i>	The project is both scalable and replicable	10	<input checked="" type="radio"/>	
		The project is either scalable or replicable	5	<input type="radio"/>	
		Does not apply	0	<input type="radio"/>	
		Points			10
Probability of Success	<i>Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.</i>	Provided	5	<input checked="" type="radio"/>	
		Not Provided	0	<input type="radio"/>	
		Points			5
Total Section Points				50	0

Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	<i>The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.</i>	Project implements a recommendation from an audit or is informed by benchmarking	5	<input type="radio"/>	
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0	<input checked="" type="radio"/>	
		Points			0
Economic Impact	<i>Applicant demonstrates the project will promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)</i>	Applicant clearly demonstrates economic impact	5	<input checked="" type="radio"/>	
		Applicant mentions but does not prove economic impact	3	<input type="radio"/>	
		Applicant does not demonstrate an economic impact	0	<input type="radio"/>	
		Points			5
Response to Economic Demand	<i>The project responds to current substantial changes in economic demand for local or regional government services.</i>	Yes	5	<input checked="" type="radio"/>	
		No	0	<input type="radio"/>	
		Points			5
Total Section Points				10	0

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	The Applicant Does Not Fill Out This Section; This is for the Local Government Innovation Fund Council only. The points for this section is based on the applicant demonstrating innovation or inventiveness with the project	
Total Section Points (10 max)			

Scoring Summary			
		Applicant Self Score	Validated Score
Section 1: Financing Measures		8	0
Section 2: Collaborative Measures		8	0
Section 3: Success Measures		50	0
Section 4: Significance Measures		10	0
Total Base Points:		76	0

Reviewer Comments
5-10



Public Safety Functions

1. ***Emergency Radio Systems***: Shared emergency communication systems with Montgomery County in case of catastrophic failure or large-scale events.
2. ***Hazardous Material Response Team***: HAZMAT advisory board member coordinating 67 local jurisdictions in Montgomery and Greene Counties.
3. ***Fire Truck and Ambulance Repair***: Provide maintenance and repair services of fire apparatus for 20 fire organizations.
4. ***Miami Valley Fire/ EMS Alliance***: Group of 24 jurisdictions in 3 counties who provide training and programming to increase the efficiency of fire and EMS services.
5. ***Montgomery County Regional Dispatch Center***: Dayton Police and Fire with 12 jurisdictions coordinate public safety dispatch from a common location.
6. ***Mental Health Court of Montgomery County***: Mental Health court serving all Montgomery County Municipal courts.
7. ***Electronic Home Detention Program***: Provide countywide monitoring through Dayton Municipal Courts.
8. ***Incident Based Crime Reporting***: Provide 8 local jurisdictions with access to the Miami Valley Communications Council and the FBI.
9. ***Firearms Qualifications***: Provide firearm qualifications to Sinclair and UD Police Departments.
10. ***Dayton Bomb Squad***: Provide service to an 8 county region of southwest Ohio to assist with explosive/ hazardous devices and provide technical support and equipment.
11. ***Safe Streets Task Force***: Cooperative effort with 2 local jurisdictions and the FBI to investigate and prosecute organized criminal gangs in Montgomery County.
12. ***Miami Valley Regional Computer Forensics Lab***: Cooperation between FBI and local police agencies to investigate felony crimes through computer forensic examinations.
13. ***Community Initiative to Reduce Gun Violence***: Multi-jurisdictional effort to reduce group involved gun violence in Montgomery County.
14. ***Terrorism Liaison Officers Program (TLO)***: Regional Intelligence Coordinator for the 8-county TLO program to identify terrorism.
15. ***Combined Jail***: Partnership for correctional services with Montgomery County.

Economic Development/ Community Planning

16. ***Board of Building Appeals***: Provide administrative hearings regarding the Ohio Building Code to 9 communities.
17. ***Miami Valley Regional Planning Commission***: Member of the regional planning commission.
18. ***Well Field Protection Fund Board***: Collaboration of 6 jurisdictions to protect the Dayton Region's well fields from contamination and promote compatible economic development sites.
19. ***Economic Development Districts***: Participate in 2 JEDDs
20. ***Water and Sewer Meters***: Water meter services including maintenance, reading and billing services for portions of Montgomery County.
21. ***Homeless Solutions Policy Board***: Implementation of the HUD Continuum of Care homeless solutions program with Montgomery County and the City of Kettering.

22. *County Corp*: Development team of 11 local organizations supporting the new men's homeless shelter- Gettysburg Gateway for Men
23. *Swimming*: Reciprocal agreement with the City of Kettering to allow annual swimming pass holders to use either municipal pool during maintenance.

Public Works

24. *Snow Removal*: Agreement with 5 agencies concerning snow removal functions.
25. *Waste Collection*: Provide waste collection services to Jefferson Township and the City of Riverside.

Administrative Functions

26. *Civil Service Board*: Provides Civil Service functions for the Dayton Board of Education.

Combined Districts

27. *Combined Health District*
28. *Five Rivers MetroParks*
29. *Dayton-Montgomery County Library*



Dayton Broadband Strategic Plan

April 2010

An Initiative Sponsored By:
The City of Dayton, Ohio
Timothy Riordan, City Manager
Project Coordinator:
Timothy Downs, Deputy Director of Economic Development

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Vision: To make the Dayton area the best connected region in the Nation.

The **Dayton Broadband Strategic Plan** was developed to ensure that Dayton's City departments, Police, educational facilities, businesses, and households have access to the critical information infrastructure that will continue to facilitate new applications and economic growth in a knowledge-based economy. This plan provides a snapshot of Dayton's current information infrastructure and identifies new opportunities and plans to improve Dayton's digital future. Once implemented, the strategies contained within this plan will transform the way the City does business. Dayton has the opportunity to provide a platform for municipal service delivery, education and economic development that is scalable for future growth and will create a competitive advantage for the City.

Regional Approach

Dayton Digital Development will be more successful if all of the Dayton area is engaged in this process. Some of the recommendations and strategies within this plan are regional in nature and new partnerships with neighboring communities will be critical to the success of making the Dayton area a national leader in information infrastructure.

What is Broadband and Why is it Important

Broadband services refer to high-speed data communications where multiple data transmissions occur over a single medium; such as the Internet, Municipal fiber-optic service, Ethernet, Metro Ethernet, etc. They are important because many new web-enabled tools require high-speed connections for the applications to work. Strong levels of broadband access and usage will allow the City and more businesses and individuals in Dayton to participate in online technologies. The use and sophistication of Internet technologies increases exponentially with access to broadband.

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D.	Develop and release a Digital Excellence Implementation Plan for ubiquitous wireless broadband service throughout the City.	26
E.	Create a public relations campaign to highlight Dayton's assets and activities as an economic development tool.....	26
F.	Reach out to national service providers to market Dayton as a City that is seeking new private network investments and as a City that is easy to work with to facilitate these new investments.	26
	Glossary of Broadband Terms	27

I. Background

The citywide connectivity plan was developed to ensure that the City is leveraging improvements in broadband technologies and taking advantage of other regional broadband initiatives which will improve the City's service delivery, manage and lower long-term costs for required, internal broadband services and provide economic development tools necessary to attract and retain 21st Century economic development opportunities. To grow a healthy municipal revenue-base, today's communities are increasingly competing to provide world-class services and amenities that will incent new private-sector investments in their communities. In an effort to address this issue, Dayton has developed a broadband improvement plan that will facilitate positive growth.

Many cities have addressed broadband as a critical infrastructure for success. Significant research has shown the value of broadband education, community and economic development. The Dayton plan includes improvements to both wire-line and wireless connectivity options, including fiber-optic backbones supporting Wi-Fi networks.

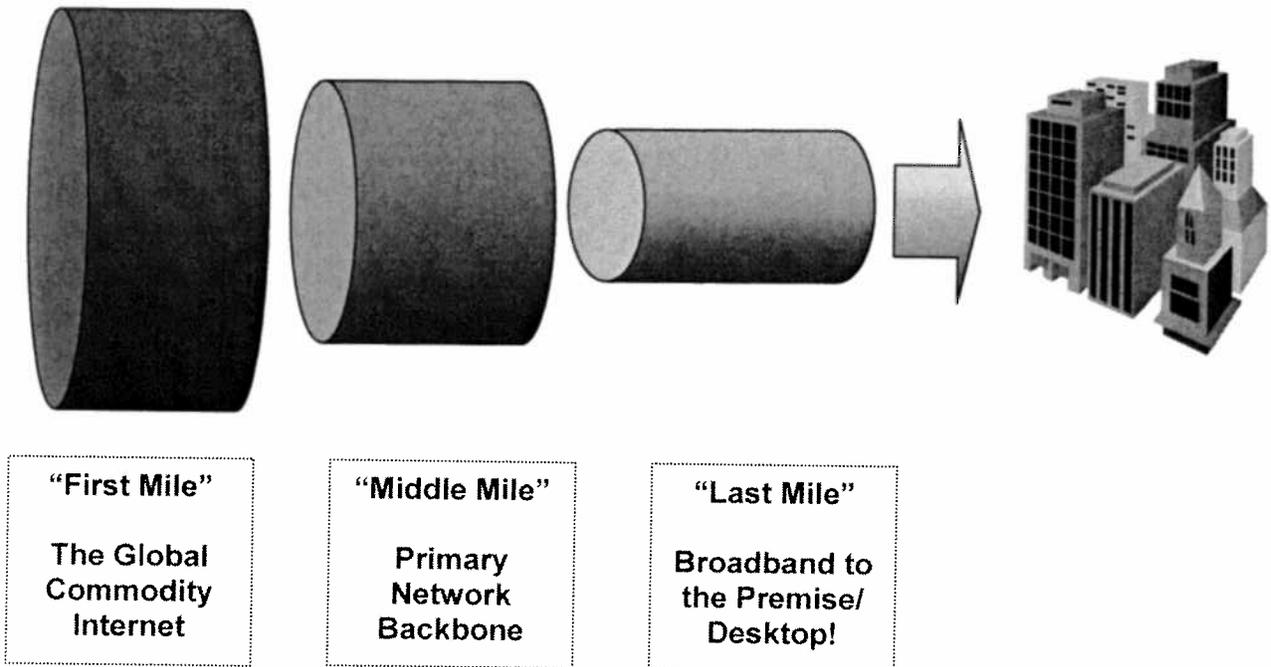
This plan identifies the current level of broadband availability within Dayton and sets forth a plan to improve broadband access for several purposes including:

- Municipal Applications
- Law Enforcement/ First Responders
- Digital Inclusion
- Education
- Research
- Economic Development
- Community development
- Healthcare
- Increased Competition in the local market for broadband services-households and businesses

Once implemented, the result will provide long-term cost savings to the City with increased internal efficiencies and cost savings through adoption of new applications for municipal service delivery, as well as competitive broadband access for all sectors of Dayton that are critical to the future economic viability of the community. The plan addresses broadband access at multiple levels, which goes beyond the typical municipal broadband planning efforts.

The goal of this effort is for Dayton to become a national leader in broadband availability by facilitating improved broadband access locally. The goal is not to compete with private-sector telecom and broadband providers.

Dayton's Information Infrastructure has three components:



While each of these three network components is critical to the local information infrastructure, this project focuses on the Middle and Last Mile of broadband availability in Dayton.

The First Mile or global commodity Internet as it is known is based on the fiber-optic networks that make-up the global network backbone. These networks connect the major information network providers around the world. Local community efforts cannot impact the location of this layer of the information infrastructure, as they are determined by placement of global communication networks. Fortunately for Dayton, the Dayton Area market has a robust investment in this network layer and many national and international communication firms have infrastructure in the market which can benefit the Middle and Last Mile networks in the region by providing connections to the global marketplace.

II. Dayton Broadband Snapshot 2010

This section of the plan focuses on broadband availability in Dayton today. The snapshot includes:

- Local options for service
- Local quality of the service
- Local pricing for service

These three factors will determine what types of applications and how effectively broadband services are being used today. *Figure 1* indicates the impact of a robust information infrastructure on a community.

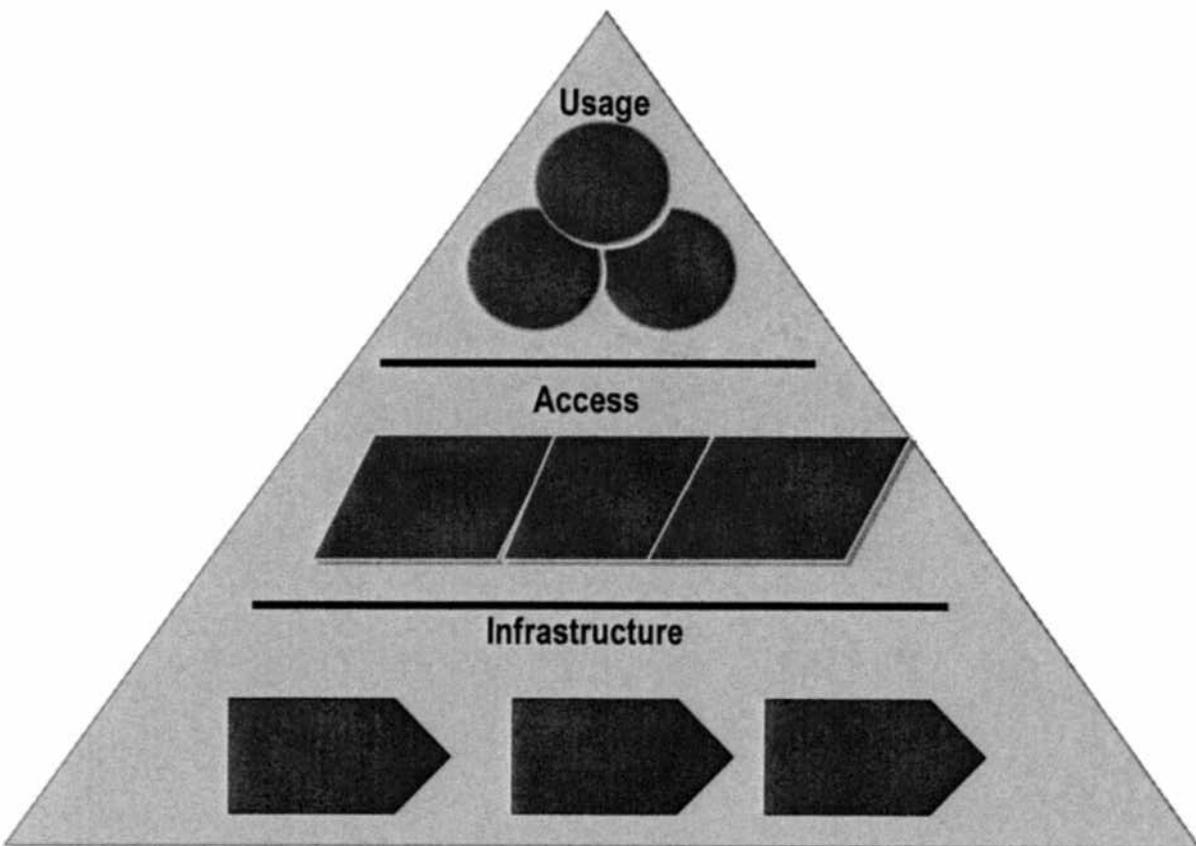


Figure 1: Information Infrastructure

The greater the quality, location and capacity of the local network backbone, the greater the affordability and services available, thereby creating and supporting a much greater range of services and applications to support the critical stakeholders within the community and foster an environment to support municipal applications and communication, education, research and development and economic development.

A. Middle Mile

Today, many Middle Mile providers offer network backbone services in Dayton. These services are the types of broadband connections typically utilized by large bandwidth consumers like companies, schools or local government entities that rely on large amounts of bandwidth to facilitate multiple enterprise applications. Some of the companies and organizations with fiber-optic networks (or offering access to fiber networks) offering service in Dayton today include:

- AT&T, formerly SBC
- NuVox
- XO Communications
- Time Warner Cable
- Time Warner Telecom
- One Communications
- DoNet

Like *Figure 1* suggests, the greater the level of investment and competition in this level of network services that exists, the better the quality of service and price for service that is available to Dayton and its' business and other demanding users of network services. More importantly, the greater the level of competition in the market, the more flexibility Dayton and other business consumers are offered in terms of bandwidth and contract options for service.

While one might assume that the level of Middle Mile connectivity is sufficient for Dayton's municipal purposes, previous municipal investments in fiber-optic networks, as well as other municipal and local networks create an opportunity for Dayton to improve municipal and educational broadband access that will provide increased capacity and cost-savings over the long-term. While many of Dayton's businesses have access to competitive broadband offerings and may be well situated with respect to Middle Mile connectivity, Dayton's government, first-responders and educational facilities will benefit from additional fiber-optic capacity for the City. The Middle Mile level of connectivity is directly addressed as part of Dayton's broadband strategic plan.

Dayton Metropolitan Internet Exchange ("DMIX")

In addition to publicly owned fiber, there currently exists an unique piece of connectivity in the Dayton Metropolitan area that should be considered as part of any plan that the City may move forward with in regards to broadband. In 2001 a group of technology leaders in the Greater Dayton area, led by the Greater Dayton IT Alliance (now operating as Technology First), worked to pull together resources, both economic and labor, to create what has become known as the Dayton Metropolitan Internet Exchange ("DMIX").

The DMIX is essentially a telecommunications/data system that has certain specific limited reach throughout portions of the Dayton Metro area. The intent was to create a

municipal area network that would allow local business entities, government agencies, and non-profits to connect into and operate on a local internet network rather than having to send their traffic through the nationwide and regional internet clouds in order to reach their destinations. Essentially, the intention was to route local traffic locally rather than route local traffic out into other parts of the United States and then have it return via network connection to local recipients of that information. The desire was to provide for greater security of information and reduce costs. The ultimate objective of the DMIX was to enable and encourage economic development through technology within the Dayton area. Through the efforts of the IT Alliance, Wright Patterson Air Force Base, the University of Dayton, Lexus Nexus, Reynolds & Reynolds, Standard Register and Dayton Power and Light, the group was able to acquire specific routing and switching equipment and the technological expertise necessary to establish a municipal area network.

Based upon the information we have been able to obtain, it appears that the specific pieces of routing and switching equipment were given to the IT Alliance (now Technology First) to operate and manage. On a rotational basis, a number of local companies provided technology staff to maintain, assist with and provide advice in regards to that equipment. The equipment itself was placed in the City of Dayton IT Division equipment room located on Second Street. Users connected to the switching and routing equipment at the City IT location through various leased and owned fiber and telecom access lines. It appears that there has never been any real focused management oversight over the DMIX equipment and its specific users. Over time the Dayton IT Alliance (now Technology First) has run out of resources to manage the DMIX equipment and claims to have informally assigned those management responsibilities to the Miami Valley Communications Council ("MVCC"). In addition, the maintenance and servicing of the DMIX equipment appears to have been and continues to be performed by DONet, a local telecommunications service provider, who uses some of the DMIX connectivity to service itself and its customers.

There is a substantial lack of records or any complete list as to who may actually be using the DMIX. Entities have over time connected themselves to the DMIX through various methods which seem to have been anecdotally approved by various other participants in the DMIX operations. What we are currently certain of is that the DMIX equipment is located in and placed on City property, no party who has been a participant in the DMIX process is willing to claim ultimate ownership of or executive control over the DMIX equipment. Lack of committed funding from and certain administrative and bureaucratic changes in the originally participating entities have over time led to a number of those original participants disassociating with the project. What seems certain is that no one appears to be interested in stepping forward and assuming and/or taking full control over the ownership and management of the DMIX. Since it sits in and on City property and is connected to City fiber and network infrastructure (among others) it is logical to assume that the City could easily integrate the DMIX into any broadband plan and efficiently assume full ownership and control of the DMIX equipment.

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B. Last Mile

Last Mile broadband connectivity refers to cable, optical fiber, wired systems, Digital Subscriber Line (DSL) and wireless broadband services. This is particularly important with respect to household and small business connectivity.

Dayton has two competing "triple play" service providers: Time Warner Cable and AT&T. "Triple play" is the providing of video, phone and data services. Both companies provide robust service with a multitude of competitive products, including up to 15 mgb of data service downstream.

1. Video Services

Dayton cable customers are empowered to choose cable television "bundled services" which include broadband services, voice over internet protocol (VOIP) and video. These are packaged also, from the entire "bells and whistles" service of digital packages with video on demand and HDTV plus high speed modem service or customers can chose a relatively small analogue package with VOIP and lower speed broadband services.

Current video, phone and data service providers in Dayton include:

- AT&T Lightspeed
- Time Warner Cable

These providers all report upgraded networks serving Dayton citizens for broadband services. It is our belief that all of these services are available to the vast majority of Dayton residents. Because cable was developed as a residential service, many small businesses within Dayton are still outside the local cable footprint, although this has improved significantly. For those businesses that wish to purchase cable modem services, an investment may be required to extend the cable plant to their locations if they are not already served by cable television services.

2. Telephone

On the telephone side, AT&T provides DSL service to household and business customers in Dayton. DSL is a technology facilitated by the telephone company installing a piece of hardware called a Digital Subscriber Line Access Multiplexer (DSLAM) into the telephone Central Office (CO) which enables the standard copper telephone lines to transmit data at broadband speeds. AT&T has upgraded their entire COs with DSLAMs serving Dayton. Limitations of the DSL technology prohibit some from accessing this service. In theory, those household and business customers that reside within 18,000 feet or roughly three miles of the CO have access to DSL service. Due to the nature of the copper telephone plant, this estimate generally overestimates DSL access, which is true in Dayton. While the service is not available to every citizen in Dayton, the service is available to the majority of residents.

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3. Wireless

Wireless broadband services refer to any number of technologies that facilitate broadband services via a wireless-based infrastructure. Some common forms of wireless broadband service include:

- Wi-Fi or HotSpots
- Point-to-Point
- 3G (third generation) and 4G (fourth generation) Cellular

Currently, Dayton has a few providers of traditional wireless point-to-point broadband service and several 3G cellular (AT&T, Nextel, Sprint, T-Mobile, Verizon, etc.) broadband providers. While 3G does not facilitate the capacity of traditional wireless broadband, it does allow for mobility. 3G services are sufficient for checking e-mail and even viewing the Internet, but are not sufficient to support the kinds of applications that require more robust connections. Like a cell phone, the protocol used in the cellular network allows mobile devices such as Personal Data Assistants (PDAs) and laptops to stay connected as they move by or pass through multiple cells or towers within the cellular infrastructure. Cellular providers have generally upgraded their networks in markets like the Dayton area market to provide these services. 3G services exist fairly ubiquitously in Dayton. Many cellular providers have announced the 4G service that will move data at much greater speeds than the 3G networks that are currently deployed in Dayton. It remains to be seen when those investments will be made in Dayton.

Traditional wireless broadband exists today in Dayton in the form of Wi-Fi hotspots in condominium complexes and coffee shops and more robust point-to-point connections available through wireless broadband providers such as Imagined Network, a Troy based Wireless Internet Service Provider (WISP). The advantage to using this type of connection over the 3G connection is that more bandwidth is available to the end user.

Due to improvements in wireless broadband technologies, Wi-Fi networks are now being developed that provide for mobility like the 3G networks, but with the capability to move significantly greater amounts of data. This represents the difference between the Police accessing graphics, video or photo identification wirelessly versus data only through the 3G networks.

4. Last Mile Conclusions

Based on previous telecom, cable and wireless investments, the vast majority of Dayton citizens have access to multiple broadband services at competitive pricing. Dayton is well positioned with respect to Last Mile connectivity for residents.

However, there are other issues that go beyond broadband availability in Dayton. Dayton residents that lack computers in their homes or lack the resources necessary to acquire broadband services add to the issue of ensuring all Dayton residents have access to the technologies that will make them successful in the digital economy. The focus for Dayton to address last-mile issues includes addressing the "digital-divide" with

respect to computer ownership and affordable broadband services, as well ensuring the availability of competitive broadband services throughout the City.

III. Digital Inclusion

Digital Inclusion refers to ensuring all sectors of Dayton have sufficient access to adequate and affordable digital technology. This includes access to both computers and broadband services.

Although the quality and quantity of broadband services in Dayton are favorable, there are other issues with achieving digital inclusion in Dayton. Households without personal computers and those that lack the necessary resources to purchase broadband services will never realize the benefits of the digital economy. Students living in homes without sufficient access to these technologies will be disadvantaged with respect to educational opportunities. Workers who are required to telecommute cannot do so efficiently or effectively from a home without a computer or broadband. Dayton must develop a strategy to achieve digital inclusion if the City expects to compete and maintain a high level of educated and trained workforce for the future.

Concepts that should be explored are:

1. Due to the fact that Dayton is a poor and substantially minority community with a medium household income of \$27,423.00 per household pursuant to the 2000 census, the broadband subscription rates are not nearly as high as in more affluent communities. The poverty hurts Dayton residences in broadband adoption in two ways: (1) They cannot afford to purchase the broadband service usually around \$50 per subscriber; and (2) and perhaps more importantly, all broadband services in Dayton are provided via cable modem (Time Warner) or computerized reception box (AT&T) that the broadband providers must place in the residence. This equipment is expensive, therefore the broadband providers credit check the subscribers to the service. Because of the poverty levels, the credit scores of many Dayton residences are below what is necessary to be provided with leased equipment.

Based upon the analysis attached as Exhibit A, we believe adoption rate is between 29-40%.

A cheaper, Wi-Fi service that does not require the installation of expensive equipment in the home, would alleviate both of these problems.

2. Computer ownership needs to be addressed for those who do not have the familiarity or comfort level with technology or the resources necessary for computer ownership. There are several models that exist to address this specific problem. Some include computer recycling programs with large employers or free services/non-profits that are dedicated to providing these services. These options will need to be explored as part of the Dayton Digital-Inclusion strategy.

3. Computer support in the homes is critical to creating digital-inclusion. Many people who are not familiar with computers will finally purchase a computer and as soon as there is a technical issue, they will never get it fixed or address the problem. Although this may seem insignificant, based upon the experiences of organization that provide free computers in homes, this is a very significant problem. The digital-inclusion strategy must address computer maintenance and support.
4. Create a network of Community Technology Centers (CTCs) in Dayton to assist with technology access and training issues within Dayton. These organizations must be leveraged as part of the strategy and the CTCs must be woven into the community fabric to create digital-inclusion.
5. The City of Dayton must take ownership of the digital-inclusion issue. This could be done through the creation of Digital Dayton Development Task Force.

Although accomplishing digital inclusion is a challenging step, Dayton has the assets in place today. The required actions include dedicated leadership and developing and executing a digital inclusion plan.

IV. Public Sector Connectivity

As part of developing Dayton's broadband strategy, questionnaires were distributed to each City department regarding utilization and connectivity. The data and the maps contained herein were created as part of that process.

Currently, Dayton utilizes a mix of owned fiber-optic network, leased circuits and radio and cellular based connectivity to provide the City with connections for a host of municipal purposes.

Also attached for reference is a map of the key municipal facilities within the City of Dayton and other key community facilities such as hospitals, that would benefit from fiber connectivity.

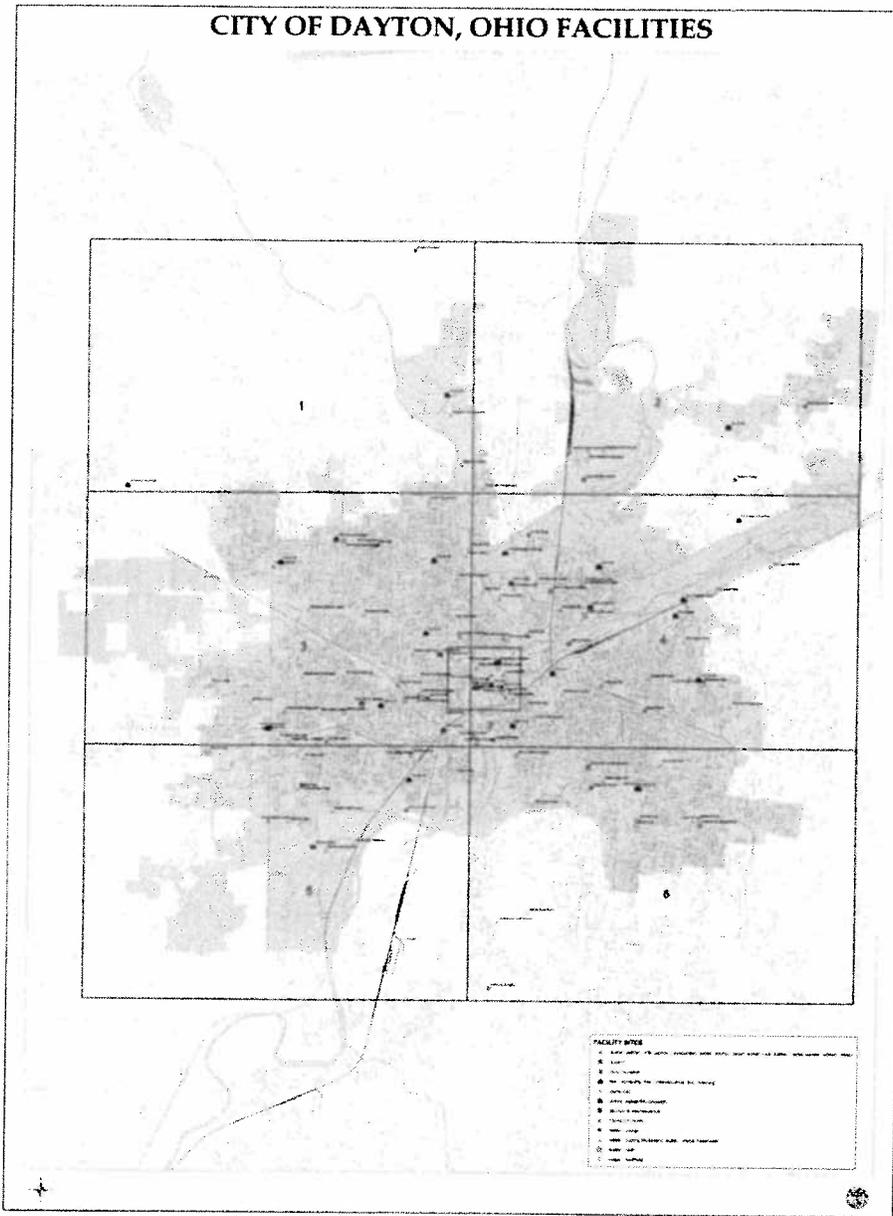


Figure 2

A. Municipal Fiber

Many cities throughout the United States are considering or implementing the construction and operation of municipally-owned fiber-optic communication systems. There are many advantages associated with this concept.

The City of Dayton is a large user of all types of communications services. Dayton has significant Internet access, telecommunication and video needs. There is a growing

trend among the large communications services users to own and operate their own networks. *Figure 3* on the following page illustrates Dayton's current fiber-optic assets.

Most of these fiber routes (depending upon location) have at least 48 fibers with 24 "dark" (unused). This excess capacity can be utilized by the City for other municipal purposes.

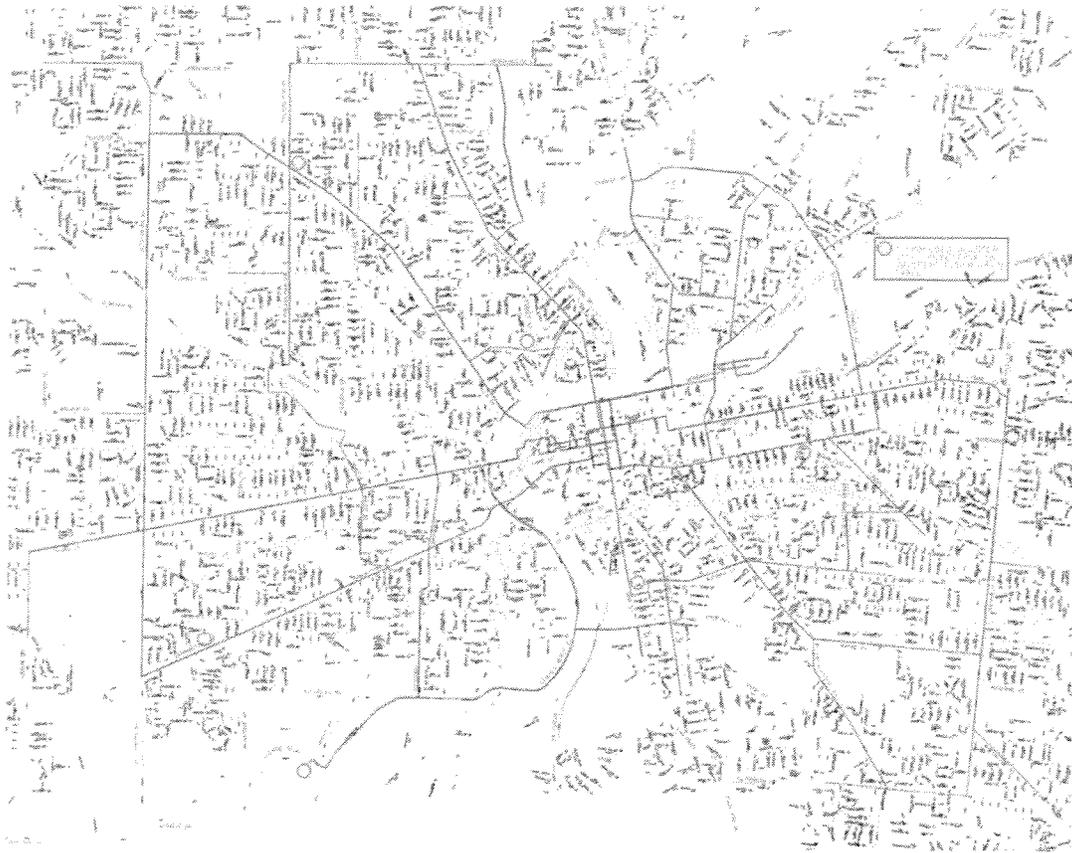


Figure 3

The advantage of owning your own fiber-optic network is that once the capital costs are accounted for, the institution/municipality no longer has to buy circuits and services from telecommunications companies. Because of the capital cost, savings are not realized immediately, but once the fiber and the attendant electronics are purchased, expanding the amount of broadband is very easy and extremely cost effective.

Because, broadband usages among all users have been growing at amazing rates, it is easy to assume that whatever the needs of Dayton are at this time, they will increase greatly in both the near and long term. Once a citywide fiber network is constructed and operating, those expansions will be cost-effective and the cost to Dayton on a per unit basis will shrink dramatically. Once the City is carrying its own internal communications traffic, it is very easy to aggregate, or combine, those services when connecting to the rest of the world. Dayton also will be able to connect its fiber networks to existing public networks and operate these combined networks for mutual advantage. This strategy costs more today due to the capital requirements but causes the overall cost for service to stabilize over time; eventually allowing for significant increases in capacity without any increases in overall spending for broadband services if extended over a 10-15 year period. This strategy requires foresight and a willingness to invest in the long-term.

An example of how this is done is the university and colleges of the State of Ohio, which operate a fiber-optic network known as OSCNet (*Figure 4*), formally known as the Third Frontier Network. This network provides broadband services to each of the colleges and universities in Ohio, a total of 118 institutions. (*Figure 4*). In the private sector, Ohio Health has begun connecting all of its installations in Central Ohio by its own fiber-optic network.

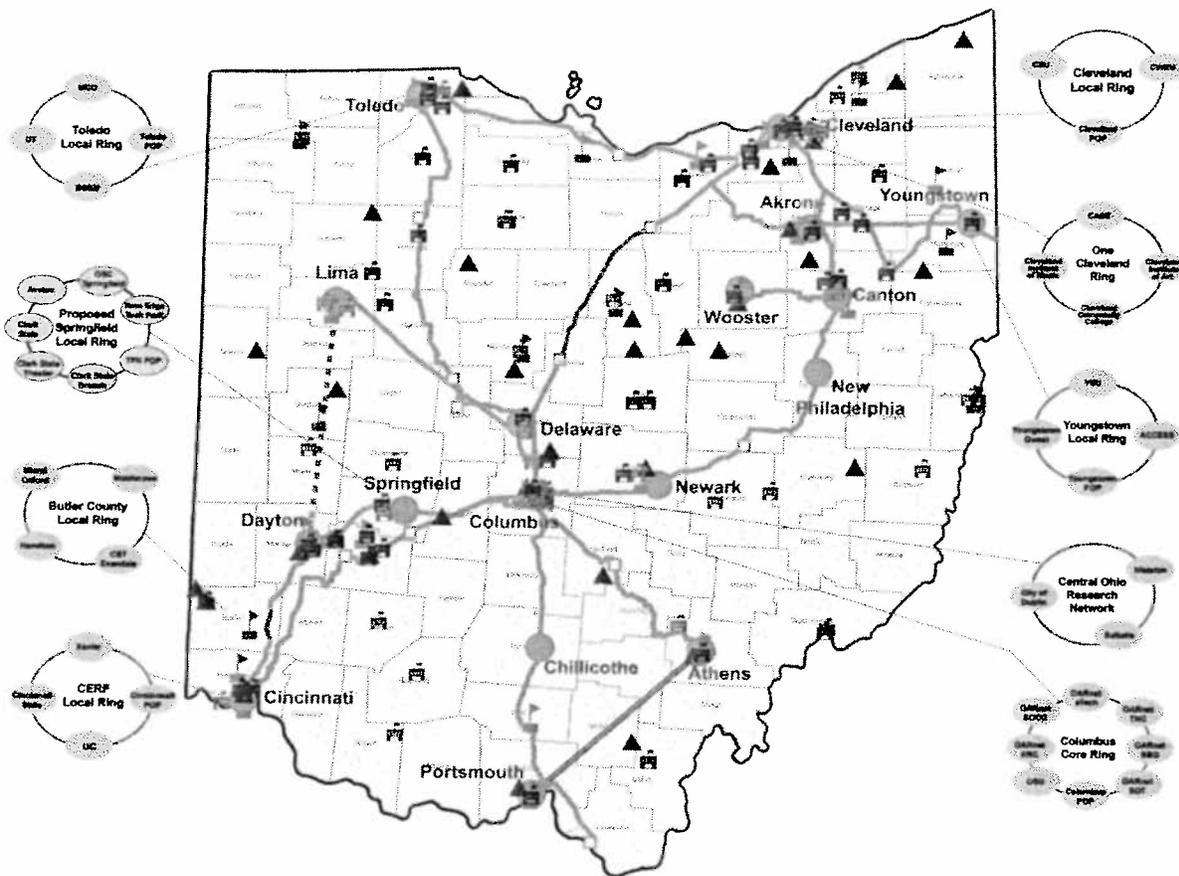


Figure 4

In nearby Franklin County, the City of Dublin operates a fiber network throughout most of Franklin County (Figure 5) and New Albany and Gahanna have constructed an eastern fiber loop. Other Franklin County municipalities are also considering owning and operating fiber.

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Columbus Fiber Net, New Albany Gahanna

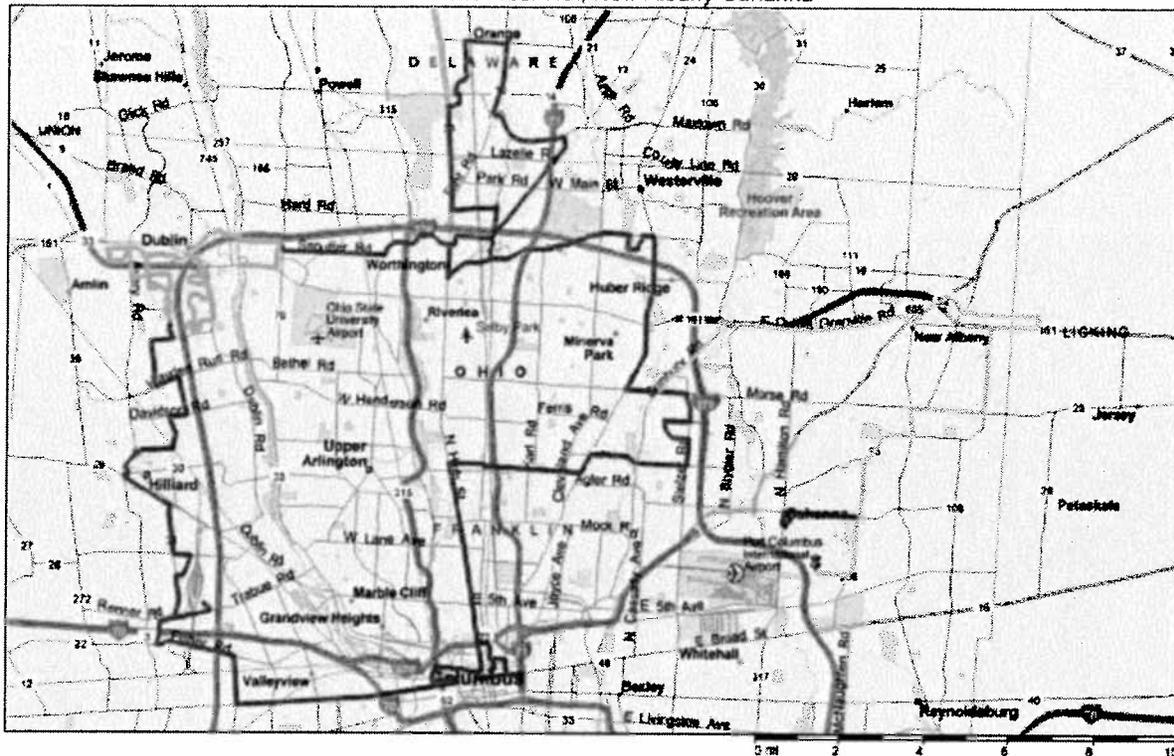


Figure 5: Columbus Fiber Net, New Albany, Gahanna

Further OSCNet operates the Central Ohio Research Network (CORN) which is four fibers located inside the Columbus Fiber Net conduit system. These fibers are interconnected to OSCNet, thereby reaching all the universities in Ohio. This network was created by the City of Dublin, in conjunction with OSCNet and is for the betterment of research and education in all of Central Ohio.

Once these public fiber networks are interconnected, the cities involved in the interconnection, will be able to share data, provide communications back-up for each other, and generally enhance the public safety operations by providing better communications to safety forces in cross jurisdictional operations. Additionally, these networks could be utilized for homeland security purposes, as they are among other things, extremely secure. Central Ohio communities have already made some of these connections.

Another advantage available to the City should it operate its own fiber network is that fiber enhances the deployment and operation of Wi-Fi networks. In a separate section, we will discuss the advantages of Wi-Fi, but it has become apparent that Wi-Fi networks need to connect to existing land line networks for the successful operation of the Wi-Fi system. The more fiber that is deployed in a city that is available for connection to the Wi-Fi networks, the more powerful the Wi-Fi network will become.

The City of Dayton has other assets as well. Attached is a map describing the location of the City's above ground water tanks which can be used for wireless communications. In addition, the map describes the City's existing well fields which conceivably would be users of Wi-Fi type services to operate the well pumps.

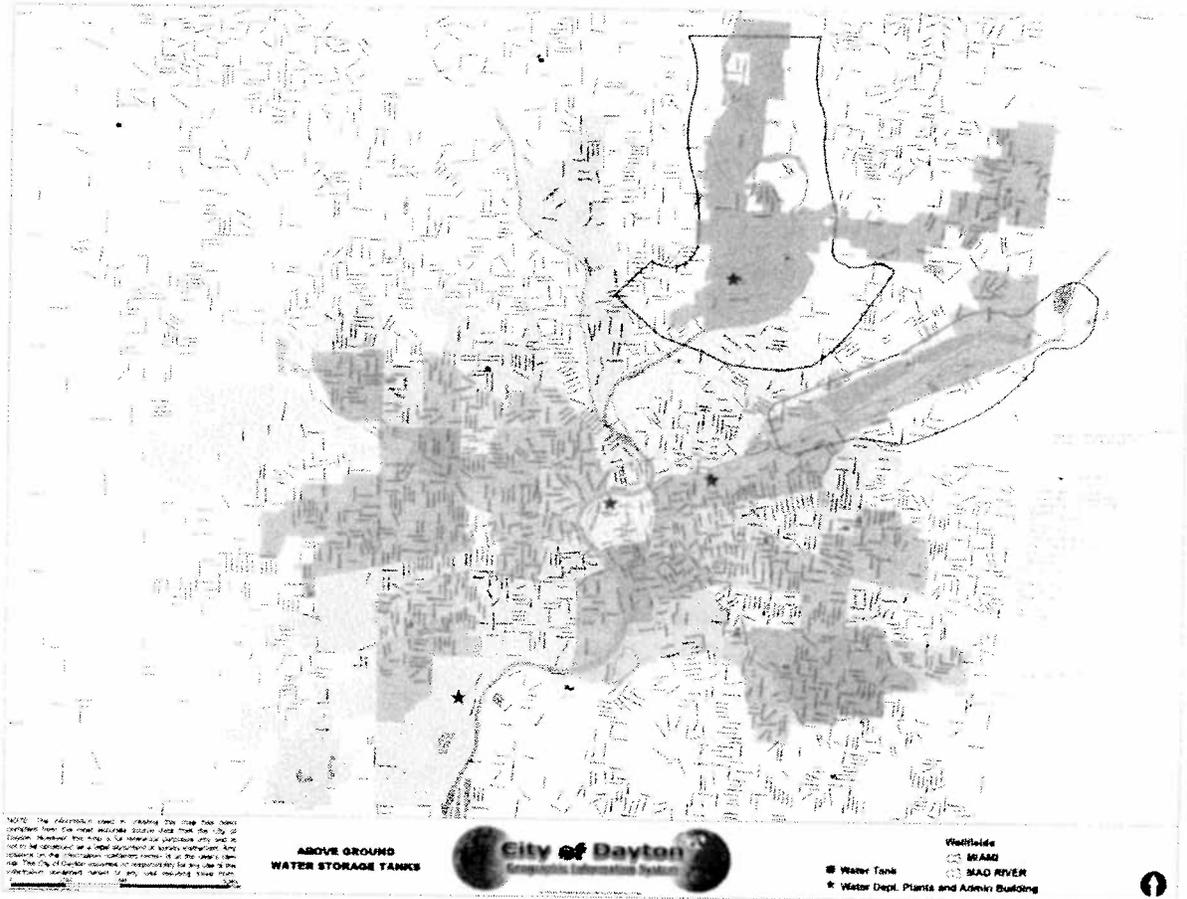


Figure 6

Wi-Fi networks, when fiber is not available or available in limited quantities, connect to the land lines at a few points but rely on using the Wi-Fi network itself to "back haul" the information on the network. In other words, much of the capacity of the Wi-Fi network is utilized to connect the individual wireless access points to other wireless access points and ultimately haul the information back to the fiber point. When fiber is deployed generously, there are many fiber access points and the Wi-Fi network can then be utilized primarily to interact with customers and users as opposed to back hauling the information. Therefore, regarding Wi-Fi, the more fiber that Dayton can make available to a Wi-Fi operator, the more robust and powerful the Wi-Fi network Dayton will have.

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Dayton International Airport

The City operates Dayton International Airport ten miles north of the City limits of Dayton. The airport area and the airport itself have both a large telecommunications system (72 fibers on campus and Wi-Fi both inside and outside) and large telecommunications needs. The ability to interconnect the airports telecommunications and information technology needs with the City's operations would certainly provide a cost savings to the City and provide enhanced service for the airport and the adjacent area and the users of the airport. Therefore, any plan should include providing fiber optics to the airport connected to the City system. In the event that that solution is economically unviable, the City should look at the possibility of microwave (wireless) connections to the airport.

A final advantage for Dayton to possess its own fiber network is in the area of economic development. As stated earlier, large users and purchasers of telecommunication services, are beginning to own and operate their own fiber-optic networks. They too, see the advantages of owning their own system and not buying circuits and services from telecommunications companies. Therefore, fiber-optics has become an economic development tool of some municipalities. The municipalities make available to companies considering building facilities in the municipality, free fiber-optics for use by the target company. For certain companies, this has an enormous fiscal and operational advantage. It is difficult for companies to build their own fiber networks because of issues involving lack of access to municipal right of way. However, if the municipality owns the fiber and has it built in municipal right of way, the city is entitled to grant an indefeasible right to use (essentially a long term lease), to anyone it chooses.

This is the economic development tool of the future. When companies with significant bandwidth needs are looking for locations to build facilities, one of the first things they look for is the availability of fiber-optics. Cities that can approach high tech companies like this with low cost and extensive fiber communications will have a leg-up in the competition to bring these companies into the municipalities.

V. Dayton Broadband Strategic Plan

The connectivity plan includes several recommendations to improve overall connectivity for residents, businesses and governmental purposes. Overall themes include:

- Improve the City's broadband infrastructure to increase access for municipal purposes and control broadband costs in the long-term.
 - New fiber-optic infrastructure
 - Ubiquitous Wi-Fi
- Create connections to public sector networks like OSCNet to facilitate economic development and improve educational access in Dayton.
- Implement a Digital Inclusion Strategic Plan.

- Encourage competition in the broadband market, to increase service levels and reduce the cost for broadband service locally in the consumer and business markets.
- Form critical partnerships to implement the Dayton Broadband Strategic Plan.
- Create public relations campaign designed to highlight Dayton's assets as an economic development tool.
- Contact national service providers to improve Fiber to the Home (FTTH) concepts and methodologies.
- Coordinate all future municipal efforts pertaining to broadband and telecommunications to ensure all Dayton's assets are being fully utilized.

This section of the plan deals with solutions developed to address the identified goals in Dayton. After the findings and recommendations within this plan are implemented, Dayton will become a true leader in the networked-world.

A. Fiber Options

Dayton must pursue a comprehensive fiber-optic network plan. If possession of such a fiber-optic network is critically important, then what are Dayton's options? Today, Dayton has only a limited fiber-optic network that connects some of its facilities. Although Dayton is on the path of fiber connectivity, the network is very limited and needs to be substantially increased to support the City's goals.

Further, Dayton is pursuing a path of deploying conduit pathways for the fiber-optics in the reconstruction of roads. While this may ultimately benefit the City's fiber improvement goals, the fiber will only be available on an incremental basis and the City needs to take immediate action. The road based conduit and fiber deployment is primarily for purposes of the transportation department and the traffic engineering department but these departments have agreed to "overbuild" the fiber-optic networks so that the City can use these fiber-optic networks for many other purposes. Because the cost of the fiber-optic fibers themselves is not that much, this additional cost will be small and incremental to the actual road reconstruction project. This will be a good future option to eventually increase the City's fiber capacity, but the City should consider a more dramatic, faster expansion.

One of the following steps must be taken by the City to ensure it has the capacity necessary to support its' workforce, economic development and increase digital inclusion.

Dayton has several options to improve fiber-optic capacity. Some proposed recommendations include:

1. Create a joint agency with other municipalities to operate and own fiber.

There are a large number of entities available to government authorities to mutually cooperate. Port authorities, community improvement corporations, and community development corporations, are just a few. Once the actual mutual cooperation entity is selected, the government agencies cooperating could either bring facilities (fiber) or cash to the joint operation. Communities that are fiber-rich, would contribute fiber, communities that lack fiber, could contribute money, in any event it would appear to not be that difficult to revalue the facilities and make arrangements that are mutually agreeable.

Although there would be a large number of political considerations in such an arrangement, the practical advantages of such an arrangement are that public safety would be enhanced county wide, such cross jurisdictional fiber system would be very useful in obtaining grants from both the state and federal government, aggregation of communications traffic could be accomplished on a large scale, the cost of such a jointly owned and operated fiber system would be cheaper than each municipality building a network that operates countywide. This sort of jointly operated system also would encourage a Wi-Fi network that could operate seamlessly throughout the entire county using this fiber-optic network as the backbone. An entirely interoperable county-wide Wi-Fi network would be of enormous advantage to the area both for public safety and for economic development and publicity.

Regarding economic development, because of competition among Dayton Area communities, it may be difficult to have a jointly owned fiber system that is also used for economic development purposes. Perhaps, a jointly owned and operated system for public safety, service, research, education and aggregation might be a good beginning which could ultimately be expanded to include joint cooperation for economic development purposes. It would obviously be valuable for the Dayton area in the aggregate if such a network were utilized strategically for economic development.

2. Build a fiber-optic network in under-served areas of the City.

Once a fiber network is built, Dayton can address a number of very significant goals. Examples of the goals include:

- a) **Municipal / administrative improvements.** This will also provide a direct connection to OSCNet, effectively allowing Dayton to purchase bandwidth reasonably through the State with virtually unlimited capacity for communication and collaboration purposes. Additionally, Dayton can utilize the fiber network to provide bandwidth to any wireless broadband projects.

- b) **Safety forces improvements.** The Dayton Police Department can utilize a dedicated number of fibers for law enforcement purposes such as cameras and increased data sharing.

c) **Water meter reading.** The City operates a municipal water system which requires that all of its meters be read so that water flow can be computed and bills generated. The City's current process is antiquated and the City is creating a pilot project for automating the system. The most efficient way to automate the system is to utilize the ubiquitous Wi-Fi network to read the meters and provide read time data to both the City and its water customers. The advantages of this system are enormous. One, the City can rapidly identify leaks and other water losses in real time. Second, the City can bill monthly instead of quarterly thereby increasing the City's cash flow and at the same time providing its customers with more manageable bills. Three, the City would no longer require meter readers or the meter readers' transportation thereby significantly increasing efficiencies and decreasing costs. In addition to the above, the water department has a need to extend fiber into the well fields.

d) **Economic Development.** Dayton can offer a fiber-optic solution as an economic development incentive to companies and research facilities contemplating relocation as part of business growth and retention efforts. Because the network will be connected to the OSCNet, companies locating in Dayton will effectively be directly connected to any university or research facility throughout Ohio. This has the potential to develop high-wage knowledge-based jobs that will be critical to the future economic health of the City.

e) **Increased access to the fiber-based traffic signaling project.**

f) **Healthcare.** Dayton can offer fibers to healthcare providers contemplating relocation to the City as an economic development incentive, connect the hospitals for patient data sharing and connect the hospital emergency rooms to Dayton's EMT.

g) **Partnerships with the School District.** Utilize a dedicated amount of fibers to increase capacity to broadband services and help the District maintain cost controls over the long-term. Educational institutions are utilizing increasing amounts of bandwidth annually, which increases their telecommunication costs. By effectively "owning" fiber for educational purposes, the District can roll the annual payments currently allocated to broadband into the capital expense of the fiber. Utilizing this model, the fiber will pay for itself after a few years in the form of annual cost savings.

h) **Improve connectivity at the Dayton International Airport.**

Dayton will recover the investment it makes in constructing and utilizing the new network in a matter of years, in the following ways:

- As information technology budgets increase within the City over time, those costs can be diverted from paying telecom carriers for circuits to the fiber project. Additionally, the City and its departments will have access to new capacity previously unavailable or previously cost-prohibitive.
- Significant economic development projects that results from the existence of the network will offset the initial capital costs over time.
- The City will now be able to aggressively pursue corporations or research institutions with a need to connect directly with other research facilities around Ohio.
- The network will create new opportunities for the City to pursue state and federal research and development funds previously unavailable to Dayton.

B. Wireless Broadband

From a strategic stand point for Dayton service delivery, if new fiber-optic connectivity is the first goal, pursuing the deployment of wireless broadband is the second. Dayton has previously sought to encourage wireless broadband investments within the community. The goal has not been for Dayton to become a provider of wireless broadband service, but rather for Dayton to facilitate new broadband access by acting as a catalyst for new investment.

The City needs to focus on developing a cost-effective, fiber supported, wireless broadband system that can support and compliment new applications in the municipal environment. This should be capable of supporting a mesh type architecture as this will allow for mobile communications capabilities well beyond what is currently available through traditional means. This network can provide significant cost savings and benefits to local police, other first responders, and other municipal departments and employees. Some examples to illustrate this point include:

- High speed network access to support the wireless water meter-reading.
- Wireless VoIP phones for all municipal employees who currently require city-provided cellular phone service.
- The ability for an ambulance and other emergency services to stream video or vital statistics to the emergency room prior to arriving with an incoming patient.
- Expanded remote traffic signal control for on-demand timing adjustments and emergency overrides.
- Wireless cameras in targeted locations to enhance safety and EMA operations.
- Wireless network access for city employees in the field providing access to mission critical systems such as GIS, engineering drawings and other key applications for service and emergency repairs.
- More efficient use of current employees in the field by reducing the lost time from trips to city buildings to retrieve data, maps, and other key information.

5-36

The combination of increased backbone capacity and last mile wireless broadband access has the potential to transform many time sensitive administrative functions within the City and will ultimately improve efficiencies and customer service delivery while also controlling costs.

Dayton needs to explore the possibilities of achieving a favorable service agreement from wireless broadband vendor(s). This service agreement would be dependent on offering access to municipally owned assets such as light poles, mast arms, traffic signal poles, building roofs, towers, etc. for wireless access point radio placement and access to the city's fiber assets for data backhaul in exchange for new investments and reduced cost broadband service within the City. This strategy will work effectively if Dayton partners with a provider willing to make a significant portion of the capital investment in exchange for access to these municipal assets. Any agreement will include the service level requirements and guarantees necessary to run mission-critical operations.

Creating this type of partnership is critical to enticing private investment within the community and will provide another competitive broadband offering for households and small businesses. Citizens could also use this to access wireless broadband service on their laptops or PDAs in parks and other outdoor spaces and the Police, emergency services and city staff could use this access for administrative purposes as outlined earlier in this document.

The end result of this type of investment by a private company in the City will effectively create a wireless broadband cloud over the City that can be used for many different municipal purposes. Since reliability will be key to support certain official operations these types of wireless networks can be programmed to provide priority to certain users like the Police and other emergency personnel.

As part of this wireless strategy, Dayton is seeking not only provider(s) who will invest in the community, but wireless broadband provider(s) with the capability to provide mobile access to broadband services. As was mentioned previously, this type of access can provide tremendous benefit to first responders and other official city service personnel, while creating a more meaningful connection for residential broadband consumers. This type of network will bring the mobility benefits of 3G cellular based networks with the capacity of a Wi-Fi connection, effectively giving Dayton the best of both worlds. The end result will be improved rates and services for local broadband consumers through the City's efforts to entice another private-sector broadband provider into the local market.

C. Middle Mile

The City should create a connection to OSCNet, which is significant for municipal bandwidth purposes. This step will have a positive influence on Middle Mile connectivity specifically for municipal, educational and economic development purposes. As previously mentioned, Dayton does not need to address Middle Mile connectivity for businesses. A competitive market for this level of service exists today.

Additionally, as part of Governor Strickland's broadband plan, Ohio's Office of Information Technology (OIT) within the Department of Administrative Services plans to utilize OSCNet to consolidate all networking for the State Executive Branch agencies, as well as provide broadband access to Ohio's local governments and court system. This new access can be utilized by the City for remote video arraignments or other applications that can save the City money over time. Although these new efforts are still in the development stages, Dayton achieved a major step by becoming the first major city in Ohio to connect directly to the State's network backbone.

VI. Recent Events

A number of events have occurred recently that impact the broadband picture of the City of Dayton.

As most Dayton officials know, the American Recovery and Reinvestment Act includes \$7.2 Billion in funding for broadband infrastructure projects. The second round of applications were submitted on March 26, 2010. Two applications that may impact the Dayton area are:

1. Avetec applied for approximately \$14 Million to extend its existing fiber optic network in Springfield to Urbana and Bellefontaine to the North to Wright Patterson Air force Base to the Southwest and Dayton International Airport to the West. There is at least a reasonable chance that this project will be funded.
2. ComNet, a consortium of telephone companies in Western and Northwestern Ohio, has proposed to build a fiber optic network extending roughly from Toledo to Dayton.
3. The State of Ohio, using OarNet as its tool, is supporting the Comnet application in addition to two other applications. OneCommunity (NE Ohio) and Horizon Telephone (SE Ohio). This impacts Dayton in two ways: (1) it increases the probability of a ComNet application succeeding and (2) as part of the process, OarNet has decided that it needs to be more proactive in interconnecting Ohio facilities supporting public, private and joint ventures. Therefore, this may be a good time to commence a dialogue with OarNet regarding OarNet carrying data traffic on behalf of the City of Dayton. The establishment of that relationship may provide the City with an effective alternative connection to the internet should the City operate and construct a fiber optic network.

A final note is that in the past few months, Whiteboard has encountered a phenomena where data centers are becoming increasingly important in the telecommunications world and in the world of economic development. With the advent of cloud computing and other off-premise data storage and recovery, big and medium users and now even smaller users are arranging to have their data needs taking place at data centers. However, to do this requires a great deal of bandwidth and/or fiber availability. Bandwidth is expensive, so data centers are reaching out to owners of fiber assets to

obtain rights to use those fiber assets. This would be a good time for Dayton to attempt a public/private partnership as set forth in the Action Plan. The CEO of the biggest data center in Mahoning, Trumbull and Columbiana Counties recently commented to us, "He who has the fiber, is King." Dayton, at least, has some fiber and with a design, and some construction may have an asset that could attract a data center or a well connected private carrier who in turn, would assist the City of Dayton in providing better connectivity to the business community thereby enhancing economic development.

VII. Conclusion

The Dayton Broadband Strategic Plan addresses the key constituencies Dayton needs to target as set forth at the outset of the project including:

- Municipal Service Delivery
- Economic Development
- Digital Inclusion (e.g. various customers and households)
- Safety
- Education
- Businesses
- Research & Development

Once implemented, Dayton will be well positioned to take advantage of broadband technologies and utilize this access as a tool to improve the delivery of municipal services. Both the fiber-based and wireless solutions recommended in this project should be significantly less expensive to implement as the result of the planning process and developing creative partnerships. Additionally, these strategies will improve law enforcement capabilities and create a new climate for economic development. Once the projects identified within this plan are implemented, Dayton will become a recognized leader in the municipal environment. The possibility and potential generated through implementing these projects is limitless and will create a distinct competitive advantage for the City.

VIII. Action Plan

A. Pursue a comprehensive fiber-optic network plan.

While many potential options exist that have been outlined within this document, this is the number one priority for the City. The City should budget for this purpose in the near-term and plan for additional dollars as part of a long-term investment strategy to make Dayton a world-class City with respect to connectivity. The goal should be to have a sufficient amount of fiber to support 30-45 Wi-Fi units per square mile within the City, in addition to supporting multiple municipal and safety applications. A sufficient quantity of fiber would be a design wherein no Wi-Fi access point is further than two "hops" from the fiber insertion point.

B. Pursue a Public-Private Partnership

Because a comprehensive fiber optic network plan will take possibly years to implement and will have costs that may not currently be budgeted for, an alternative approach that should yield immediate results is for the City to utilize existing assets to create private/public partnerships to increase connectivity in the City of Dayton.

1. Task the City Engineer and the Traffic Engineers to create a detailed map of all available (unused) fiber (single mode) that the City of Dayton possesses. This map should include fiber counts and potential splice points. Essentially this map would be a more detailed Figure 2.
2. Once the detailed City fiber map is created, the City, should either engage a consultant with network design and construction capabilities or if such a skill resides within the City of Dayton's Staff, the Staff should, in a cost effective way "close the loops" of the existing City fiber and create a fiber design that would be useful for a private communications company. A looped design would also be useful for the City's own telecommunications needs enabling the possibility of costs savings in the purchases of voice and data services. The network should also connect to the major points of presence (POP's) in Dayton.
3. Once a network design is created, the City should estimate the cost of constructing the network design and at that point, make a decision as to whether the City should build the necessary fiber to complete the design or whether it should reach out for a private partner. The issue for the City as to what direction to take would depend upon the cost of completing the network design considering the availability of funds to the City.
4. Regardless of whether or not the City builds a design network, the City should, at this time, draft a request for information (RFI) which solicits creative responses from private carriers and data centers regarding creating a public/private partnership to deliver enhanced broadband services within the City of Dayton. If the City has constructed and completed the loops, the opportunity will appear more desirable to the private provider; however, if the City has not built out the network design, private providers may be interested in completing the loop at their own cost. Of course, the more the private carrier is asked to invest, the more leverage they will have in the negotiation regarding the public/private partnership.
5. Once the RFI is out and responded to, the City should evaluate the responses and enter into a dialog with the two or three responses that appear to best meet the needs of the City. Once one of the

competitors is selected by the City, then the contractual negotiations should take place to describe the relationship.

This approach has been used by multiple cities. New Albany, Gahanna and Westerville have all developed their public/private partnerships from a RFI approach that leverages public assets with the private investment and know-how. Whiteboard would be happy to provide copies of those RFI's to the City of Dayton. The Dayton fiber situation most resembles Westerville or Gahanna, each of which chose a slightly different path. Westerville elected to solicit a data center into Westerville as the goal of private partnership, leveraging existing and proposed Westerville fiber assets. Gahanna leveraged existing fiber assets in two ways: a relationship with a Wi-Fi company using the fiber backbone and a relationship with a data center outside of Gahanna connecting into Gahanna.

Each RFI is, by its very nature, a customized document depending on the goals of the City and the assets that are available for private use.

A few cautionary notes are necessary should this plan be implemented. First, the existing incumbent phone and internet providers, in the case of Dayton, Time Warner and AT&T, will complain bitterly about any proposed plan to use public assets. Therefore, it is important that all T's are crossed and I's are dotted during the process and that AT&T and Time Warner are invited to participate as applicants. It is Whiteboard's experience that neither AT&T or Time Warner will participate; they will simply complain.

A second cautionary note is that many times these public/private partnerships anticipate a "revenue split" whereby the private operator in return for receiving fiber agrees to share some of the revenue with the City. As stated in the body of our report, a common way to handle this legal problem (it is generally not allowable under the Constitution of the State of Ohio to share revenues between a municipality and a private partner) so cities have used community improvement corporations (New Albany and Gahanna have done this) or have used Port Authorities (Columbiana County) because those entities are allowed to share revenues. This is not to say that the City itself could not be in a relationship with a private carrier but it will have to be done carefully and legally.

Coordinate all future municipal efforts pertaining to broadband and telecommunications to ensure all Dayton's assets are being fully utilized and to avoid duplication of efforts, increase efficiency and become a nationally recognized leader in municipal broadband strategy.

1. Dedicate internal resources to implement the various recommendations of the plan. The recommendations will require significant time and planning to implement effectively.
2. Identify the critical applications for municipal/administrative purposes to implement in the near term. In dealing with limited

resources, the City will want to employ the new applications that will create the greatest return on investment.

3. Encourage collaboration among all municipal departments throughout the implementation process.
4. Develop the mechanisms and policies for economic development-based connections to the fiber network in Dayton.
5. Consider naming a staff person as "Broadband Coordinator" or actually create a position.

C. Form the critical partnerships, to implement the Dayton Broadband Strategic Plan.

1. Dayton Broadband Technology Advisory Group
2. Dayton Digital Inclusion Taskforce
3. If a regional approach is adopted, then the City should consider forming a Dayton Area Broadband Task Force.

D. Develop and release a Digital Excellence Implementation Plan for ubiquitous wireless broadband service throughout the City.

Utilize existing municipal assets to create a partnership for the service. This concept is analogous to Action Plan No. 2 regarding creation of an RFI. Once the City creates a large enough fiber network, then by utilizing the fiber and other City assets such as vertical real estate, an RFI should be issued requesting proposals from Wi-Fi operators .

E. Create a public relations campaign to highlight Dayton's assets and activities as an economic development tool.

F. Reach out to national service providers to market Dayton as a City that is seeking new private network investments and as a City that is easy to work with to facilitate these new investments.

Encourage competition and new investments in the broadband market in Dayton. This can be accomplished through pursuing new video and wireless broadband providers to improve last mile connectivity (Fiber to the Home – FTTH concept).

Glossary of Broadband Terms

Some definitions within this glossary of terms were provided by the CTIA www.ctia.org/index/cfm and the IEEE (American Institute of Electrical Engineers) www.ieee.org/portal/index.jsp?pageID=home

3G – The third generation of mobile communications specified by the ITU promises to offer increased bandwidth and high-speed data applications up to 2 Mbps. It works over wireless air interfaces such as GSM, TDMA, and CDMA.

802.11 Standard – The series of wireless standards developed by the IEEE, commonly known as Wi-Fi.

802.11a – A wireless networking specification, assigned by IEEE, in the 5-Ghz frequency range with a bandwidth of 54 Mbps.

802.11b – A wireless networking specification, assigned by IEEE, in the 2.4-Ghz frequency range with a bandwidth of 11 Mbps.

802.11g – A wireless networking specification, assigned by IEEE, in the 2.4-Ghz frequency range with a bandwidth of 54 Mbps.

802.16 – A group of broadband wireless communications standards for metropolitan area networks (MANs) developed by a working group of the IEEE.

Access: The technology choices available by which users can connect to the public data network at the level they demand or need (dialup, cable, DSL, ISDN, wireless, fiber, etc.)

Access Point – A wireless hardware device connected to a wired network that enables wireless devices to be connected to a wired LAN.

Analog – Modulated radio signals that enable transfer of information such as voice and data.

B2B (Business-to-Business): The exchange of products, services, or information between two or more businesses using networked technologies.

B2C (Business-to-Consumer): The exchange of products, services, or information between businesses and consumers over the Internet.

Backhaul: Moving data over a network back to a central administrative location prior to sending it out to the Internet.

Bandwidth: The amount of data that can be transmitted in a given amount of time over a particular connection.

Base Station – The central radio transmitter/receiver that maintains communications with mobile radio telephone sets within a given range.

Bits per second (bps) – The number of bits that can be sent or received per second over a communication line.

Bluetooth Wireless Technology – A short range wireless specification that allows for radio connections (2.4 Ghz) transmitting voice and data between devices (such as portable computers, personal digital assistants, PDAs, and mobile phones) within a 30-foot range of each other.

Broadband: High-speed data communications where multiple data transmissions occur over a single medium such as the Internet, fiber-optic service, Ethernet, etc. It has a data transfer rate over 200 Kbps. DSL and cable modem services are broadband services.

CDMA (Code Division Multiple Access) – A technology used to transmit wireless calls by assigning specific codes. Calls are spread out over the widest range of available channels. Then codes allow many calls to travel on the same frequency and also guide those calls to the correct receiving phone.

CDPD (Cellular Digital Packet Data) – A technology that separates data files into many “packets” and sends them through empty channels of existing voice networks. It allows users to

send and receive data from anywhere in a particular coverage area at any time, quickly and efficiently.

Cable modem: A device that enables a personal computer to be connected to a local cable TV line and receive and send data.

Cell – The basic geographic unit of wireless coverage. This is also, shorthand for generic industry term “cellular”. A region is divided into smaller “cells”, each equipped with a low powered radio transmitter/receiver. The radio frequencies assigned to one cell can be limited to the boundaries of that cell. As a wireless call moved from one cell to another, a computer at the Mobile Telephone Switching Office (MTSO) monitors the call and at the proper time, transfers the phone call to the new cell and new radio frequency. The handoff is performed so quickly that it's not noticeable to the callers.

DSLAM: Allows telephone lines to make faster connection speeds. DSLAMs are used by telephone providers for DSL service.

Dial-up access: Refers to connecting to the Internet via a modem and standard telephone line.

DSL (Digital Subscriber Line): A technology which enables the ordinary copper component of telephone lines to carry data at rates much higher than ISDN.

E-commerce (Electronic commerce): Commercial and non-commercial transactions facilitated through the use of networked technologies.

Fiber-Optics: A glass or plastic fibers used to carry light waves that create the basis for high-speed data communications over long distances.

First mile: The major long haul carrier fiber-optic networks that connect global telecommunications facilities around the globe.

EDI (Electronic Data Interchange): The transfer of data between companies using computer networks, such as the Internet.

Gbps (Gigabits per second): A measurement of the rate of speed at which data is transferred (e.g., 1 Gbps equals 1 billion bits per second).

GPS (Global Positioning System) – A worldwide satellite navigational system, made up of 24 satellites orbiting the Earth and their receivers on the Earth's surface. The GPS satellites continuously transmit digital radio signals, with information used in location tracking, navigation and other location or mapping technologies.

GSM (Global System for Mobile Communications) – A technology that works similarly to TDMA by dividing wireless calls into time slots. GSM is most common in Europe, Australia, and much of Asia and Africa. But, GSM phones from the United States are not compatible with international GSM phones because they operate on different frequencies.

Hertz (Hz) – The unit for expressing frequency (f), a measure of electromagnetic energy. One Hertz equals one cycle per second.

Hotspot – A place where users can access Wi-Fi service for free or for a fee. A Wi-Fi access point or area, in particular for connecting to the Internet

Infrastructure: The communication networks that connect users to the Internet.

IT (Information Technology): The broad subject concerned with all forms of technology used to manage and process information electronically.

ISDN (Integrated Services Digital Network): A service that allows for higher data transmission speeds and is capable of handling at least two services over one line simultaneously (i.e., voice and fax or voice and data).

ISP (Internet Service Provider): A company or organization that offers users access to the Internet and related services.

Kbps (kilobits per second): The rate of speed at which data is transferred (e.g., 1 Kbps equals 1,000 bits per second).

LAN – Local Area Network (LAN) is a small data network covering a limited area, such as a building or a group of buildings. Most LANs connect workstations or personal computers. This

allows many users to share devices, such as laser printers, as well as data. The LAN also allows easy communication, by facilitating e-mail or supporting chat sessions

Last mile: The connection from the ISP to the user's desk-top.

Mbps (Megabits per second): A measurement of the rate of speed at which data is transferred (e.g., 1 Mbps equals 1 million bits per second).

Megahertz – Megahertz (MHz) is a unit of frequency equal to one million hertz or cycles per second. Wireless mobile communications within the United States occur in the 800 MHz, 900 MHz and 1900 MHz bands.

Middle mile: Fiber-optic networks utilized by large consumers of bandwidth. Sometimes these connections terminate directly at the large user and sometimes they terminate in an ISP or telecommunications facility.

Network Interface Card (NIC) – A type of PC adapter card that works without wires (Wi-Fi) or attaches to a network cable to provide two-way communication between the computer and network devices such as a hub or switch.

OC192 (Optical Carrier level-192): An optical fiber line that supports digital signal transmissions at 48 times the base rate of 51.54Mbps or approximately 9.7 Gbps.

PC Card – A credit –card-sized removable peripheral that plugs into a special slot on portable computers (and some desktop models), including Wi-Fi cards, memory cards, modems, NICs hard drives, etc.

PCI Card – (Peripheral Component Interconnect) – A hardware accessory that slots into a PC.

PCMCIA card – (Personal Computer Memory Card International Association) - A credit-card-sized hardware accessory that slots into a laptop.

Personal Area Network (PAN) – A casual, close-proximity network where connections are made on the fly and temporarily. Meeting attendees, for example, can connect their Bluetooth-enabled notebook computers to share data across a conference-room table, but they break the connection once the meeting is over.

Personal Digital Assistant (PDA) – Digital hand-held device that can transmit data and services such as a paging, data messaging, computing, telephone/fax, email, etc. possible.

Radio Frequency (RF) – Any frequency within the electromagnetic spectrum associated with radio-wave propagation.

Repeater – A device that received a radio signal, amplifies it, and retransmits it in a new direction. Repeaters are used in wireless networks to extend the range of base-station signals, thereby expanding coverage – within limits – more economically than by building additional base stations.

Roaming – The ability to move from one access point coverage area to another without losing connectivity.

RSA (Rural Service Area) – One of the 428 rural markets across the United States, as designated by the FCC.

Satellite Broadband – A wireless high-speed internet connection provided by satellites. Some satellite broadband connections are two-way – up and down. Others are one-way, with the satellite providing a high-speed downlink and then using a dial-up telephone connection or other land-based system for the uplink to the internet.

Spectrum Allocation – Process whereby the federal government designates frequencies for specific uses, such as personal communications services and public safety. Allocation is typically accomplished through lengthy FCC proceedings, which attempt to accommodate changes in spectrum demand and usage.

TDMA (Time Division Multiple Access) – A technology that transmits information by dividing calls into time slots, each one lasting only a fraction of a second. Each call is assigned a specific portion of time on a designated channel. By dividing each call into time “packets”, a single channel can carry many calls at once.

T1: Dedicated phone connection providing maximum speeds up to 1.544 Mbps.

Telecommunications: Refers to all types of data transmission, from voice to video.

Unlicensed Spectrum – The government sets up general rules, such as the power limits on devices, and then allows any device that meets those standards to operate (unlicensed) in that spectrum.

Usage: The extent to which business, government and household users utilize the Internet access and infrastructure available to them.

Voice-Over IP (VoIP) – Technology that supports voice transmission via IP-based LANs, WANs, and the Internet.

Wireless access: A communications system in which radio- frequency or infrared waves carry a signal through the air, rather than along a wire.

World Wide Web (www): The system of Internet servers and users that support documents formatted in the HTML language.

Wide Area Network (WAN) – A network that connects computers and other devices across a large, local, regional, national or international area.

Wi-Fi Alliance – A coalition of wireless-industry leaders committed to the open interoperability of 802.11 IEEE standards.

WiMax Forum - A coalition of wireless-industry leaders committed to the open interoperability of all products used for broadband wireless access based on 802.16 IEEE standards.

Wireless Internet Service Provider (WISP) – An organization providing wireless access to the Internet.

Wireless – Use of Radio-frequency spectrum to transmit and receive voice, data, and video signals for communications.

EXHIBIT A

Of the 67,476 households in the City of Dayton, 40,810 had household incomes of less than \$35,000.00 (or 60.4%). A staggering 75.9% of the households in Dayton have a household income of less than \$50,000.00. That is, 51,226 households are below \$50,000.00 in total income. The 2000 census also reveals that in a total population of 166,170 people, 71,688 or 43.1% are African American.

Using a GAO Study styled "Broadband Deployment is Extensive Throughout the United States, But it is Difficult to Assess the Extent of Employment Gaps in Rural Areas," GAO-06-426, states at page 30 that "only 11.4% of households with less than \$29,900 in household income have adopted Broadband." Since Dayton's medium income is even less than that, at \$27,423 per household, Dayton has concluded that in more than 50% of its total households, only 11% of those households subscribe to Broadband. Using the same study, the GAO concluded that for households whose income is between \$30,000 and \$49,900, the adoption rate is 27.9%. The GAO also estimated that for household incomes of \$50,000 to \$99,900, the adoption rate was 44.2% and for households making \$100,000 or more, the adoption rate was 62%. Totaling the adoption rates by income group and applying that to the census numbers of Dayton yields, 16,091 broadband customers out of 67,476 households, a take rate of 23%.

This conclusion is supported by the broadband mapping efforts sanctioned by the State of Ohio and performed by ConnectOhio. The 2008 ConnectOhio Consumer Technology Assessment for Montgomery County, revealed that in Montgomery County, the broadband adoption rate for households with less than \$35,000.00 in income is 29%.

Given the poverty in Dayton, and the substantial studies tying low broadband adoption rates to income levels, it is apparent that the adoption rates for broadband services in the City of Dayton is less than 40%.

<u>GAO Study</u>	<u>Broadband Adoption Rate</u>
Less than \$29,900	11.4%
\$30,000 to \$49,900	27.9%
\$50,000 to \$99,900	44.2%
\$100,000 or more	62.0%

<u>Dayton Household Income</u>	<u>In 199 Number of Households</u>	
Less than \$24,999	30,992	45.9%
\$25,000 to \$49,999	20,234	30.0%
\$50,000 to \$99,999	13,561	20.1%
\$100,000 to \$199,999	2,299	3.4%
\$200,000 or more	<u>390</u>	<u>0.6%</u>
	67,476	100.0%

Median household income (dollars) 27,423



April 2, 2012

Peter Hager
City of Dayton
101 West 3rd Street
Dayton, Ohio 45402

RE: Application Cure Letter

Dear Peter Hager:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on April 30, 2012.** Please send the response in a single email to lgif@development.ohio.gov and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at lgif@development.ohio.gov or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP
Deputy Chief, Office of Redevelopment
Ohio Department of Development

Local Government Innovation Fund Completeness Review

Applicant: City of Dayton
Project Name: Fiber Optic Network Collaboration
Request Type: Grant

Issues for Response

1. Match

A minimum of 10% match is required for all projects. Matching funds must be 10% of the **total project cost** (not 10% of the funding request). Please document your 10% match and provide evidence of the contribution.

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

2. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

Example:

Collaboration Village's Project Budget

Sources of Funds

LGIF Request	\$100,000
Match Contribution (10%)	\$ 11,111
Total	\$111,111

Uses of Funds

Consultant Fees for Study	\$111,111
Total	\$111,111

Total Project Cost: \$111,111

3. Resolutions of Support

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

4. Partnership Agreements

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners; 2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

**CURE – FIBER OPTIC NETWORK COLLABORATION
BETWEEN
CITY OF DAYTON
AND
DAYTON PUBLIC SCHOOLS**

April 2012

Local Government Innovation Fund Completeness Review

Applicant: City of Dayton

Project Name: Fiber Optic Network Collaboration

Request Type: Grant

Issues for Response

1. Match

Based on our estimated projections, the applicants anticipate contributing about \$45,000 to the feasibility study project as our local match. Approximately \$20,000 of this will come into the project as cash. The remaining \$25,000 will come into the project through in-kind labor, services and possibly materials.

As per Section 2.06, the in-kind contribution of labor, services and materials will be certified after the contribution is made.

The contribution will collect the necessary data as requested in 2.06

- Name, address, phone number and occupation of person
- Date and actual time that the services were provided
- The specific type of service provided
- Rate of pay for the service
- Notarized report and signature attesting to the validity and accuracy of the expense.

2. Budget

Sources of Funds:

LGIF Request:	\$100,000	(69%)
In-kind Service match:	\$25,000	(17.2%)
In-kind Cash match:	\$20,000	(13.8%)
Total	\$145,000	

Uses of Funds

Feasibility Study	\$145,000
Total	\$145,000

Total Project Cost: \$145,000

Total Local Match Percentage is 31%

3. Resolutions of Support

The City of Dayton submitted its Resolution of Support with the original application. The resolution for the collaborative partner, Dayton Public schools is attached.

4. Partnership Agreements

The fully executed partnership agreement between the City of Dayton and Dayton Public Schools is attached.



PUBLIC SCHOOLS

115 S. Ludlow Street · Dayton OH 45402-1812
Tel. (937) 542-3018 · Fax (937) 542-3179
E-Mail: SELucas@dps.k12.oh.us

Stanley E. Lucas
Treasurer / Chief Financial Officer

April 27, 2012

To Whom It May Concern:

Roll Call

Ayes: 5

Nays: 0

Cooper:

Abstention: 0

Moved: Ms. Nerny

Seconded: Ms. Taylor

Motion Carried

I hereby certify that this is a true and correct copy of Item V Resolution Ratifying Two Co-Sponsored Grant Applications of the Superintendent's Recommendations as presented to and approved by the Board of Education of the Dayton City School District at its Meeting held April 17, 2012.

A handwritten signature in cursive script that reads "Stanley E. Lucas".

Stanley E. Lucas / Treasurer / Chief Financial Officer
Dayton City School District, Montgomery County, Ohio

Vision

An innovative district of champions where students are academically prepared by a team committed to developing critical thinkers and productive citizens ready to serve the world community.

Trotwood-Madison City School District To provide transportation for special needs student for the duration of the 2011-2012 school year. Eff. 3/1/2012-6/15/2012.

ITEM IV

I recommend that the members of the professional teaching staff be re-appointed for the school year 2012-2013 in accordance with the schedule of salaries at the rate of pay specified in the appointment list, and that the Treasurer be authorized to issue salary notices to teachers on continuing and limited contracts in accordance with Sections 3319.07, 3319.08, 3319.11, and 3319.12 of the Ohio Revised Code.

ITEM V

I recommend approval of the following resolution ratifying Two Co-Sponsored Grant Applications.

Rationale

In order for the City of Dayton to apply for the State of Ohio Local Government Innovation Fund Grant, the Dayton Board of Education has agreed to be a co-sponsor of two grant applications and therefore must pass a resolution in support of the grant application.

WHEREAS, The State of Ohio established in its biannual budget a Local Government Innovation Fund with an appropriation of \$45 million; and

WHEREAS, Within the Local Government Innovation Fund, \$9 million is allocated for grants for local governments to complete feasibility studies; and

WHEREAS, the Dayton Board of Education would be supporting the City of Dayton who would be the lead agency in preparing, submitting and administering grant applications and awards from the Local Government Innovation Fund; and

WHEREAS, First round grant applications were due on March 1, 2012, making it necessary for the immediate preservation of the public peace, property, health and safety that this resolution take effect at an early date;

NOW, THEREFORE BE IT RESOLVED by the members of the Dayton Board of Education that the Dayton Board of Education hereby ratifies the submission by the City Manager of the City of Dayton, Ohio, of grant applications co-sponsored by the City of Dayton and the Dayton Board of Education with the State of Ohio Local Government Innovation Fund for feasibility studies.

ITEM VI

I recommend that the Board authorize the **General Funds PURCHASE ORDERS** as submitted by the Treasurer.

COLLABORATIVE FIBER OPTIC NETWORK

PARTNERSHIP AGREEMENT

BETWEEN

CITY OF DAYTON

AND

DAYTON PUBLIC SCHOOLS

APRIL 2012

Partnership Contacts:

City of Dayton

Address:

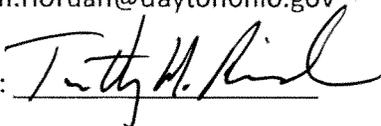
101 W. 3rd St
Dayton, Montgomery County, Ohio 45402
Main Phone Number: 937/333-3333
e-Mail: cityhall.daytonohio.gov

Contact Information:

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Fax: 937.333.4037
e-Mail:
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Signature:  _____

Name: Timothy H. Riordan
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e-Mail: tim.riordan@daytonohio.gov

Signature:  _____

Name: Timothy Downs
Title: Deputy Director
Office of Economic Development
Phone: 937.333.3621
Fax: 937.333.3827
e-Mail:
Timothy.Downs@daytonohio.gov

Signature:  _____

Signature: _____

Dayton Public Schools/Dayton Board of Education

Address:

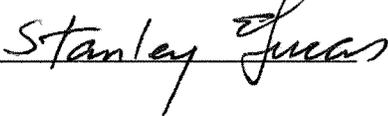
115 S. Ludlow Street
Dayton OH 45402
Montgomery County

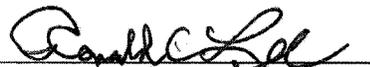
Contact Information

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Title: President, Dayton Board of Education
Phone: 937.542.3080
Fax: 937.542.3152
Email: ckidd@dps.k12.oh.us

Signature: 

Signature: 

Nature of Partnership:

The City of Dayton and Dayton Public School (DPS) partnership will procure a feasibility study regarding the utilization of fiber-optic networks and broadband communications to address Dayton's significant digital divide issue, enhance, economic development and to provide improved municipal, health and educational services.

The proposed feasibility study will support the specific objectives of the plan to:

- Provide improved access to broadband services for Dayton citizens.
- Provide broadband education, awareness, training, access, equipment, and support to the Dayton Public Schools and other community institutions and organizations.
- Improve access to, and use of, broadband service by public safety agencies.
- Stimulate the demand for broadband, economic growth, and job creation.

The proposed feasibility study is expected to include three parts

- 1) a multifaceted strategic analysis
- 2) based on the strategic analysis, a detailed description of several candidate models for the partners to consider
- 3) recommended action items and next steps moving forward. The feasibility study will culminate in a final written report, but will also include frequent, periodic communication with and among the partners throughout the study and may include preliminary assessments enabling the partners to further refine potential options prior to report finalization.

The City of Dayton will inform the study with asset inventory and related information including the identification of gaps and how to bridge them, manage contractual relationships and project deliverables.

Dayton Public Schools will inform the study by participating in the development of project scopes and deliverable statements (establishment of expectations), provide existing contractual information for cost/benefit analyses, identify existing unmet needs and needs anticipated in the future.

The study is intended to provide both partners with strategic analyses on how best to leverage existing assets and plan for future resource development to the benefit of both public entities and how they render services to the public.