

Comprehensive Annual Financial Report

City of Montgomery, Ohio

For the year ended December 31, 2019





CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

Issued by:
Department of Finance
Katie Smiddy
Director



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

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INTRODUCTORY SECTION



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.



July 17, 2020

To the Citizens of the City of Montgomery, Ohio:

We are pleased to present the Comprehensive Annual Financial Report for the City of Montgomery for the fiscal year ended December 31, 2019. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

This report represents a commitment by the City of Montgomery to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

This letter should be read in conjunction with the Management's Discussion and Analysis (MD&A) that can be found immediately following the Independent Auditors' Report.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "the Financial Reporting Entity," in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

The City provides the following services to its residents and businesses: police and fire protection, emergency medical response, parks and recreational activities, planning, zoning, street maintenance, solid waste collection, income tax collection and other governmental services. The City also has one blended component unit (Montgomery Community Improvement Corporation), which was established under Ohio law to provide a means of attracting businesses to Montgomery to enhance the community. This entity's board of directors consists entirely of Montgomery's council members.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2019

The City of Montgomery

The City of Montgomery is a vibrant Ohio community located 12 miles north of Cincinnati. Its 5.3 square mile area serves an estimated residential population of 10,805. Montgomery was incorporated as a village in 1910 and became a city in 1971. It is a home-rule city with a Council-Manager form of government. The City's responsibilities and structure are outlined in the City Charter, which was adopted by its citizens in 1981 and was last amended in 2002.

City Council

The legislative body of Montgomery consists of a seven-member Council. Each council member is elected by the City at large for overlapping four-year terms, which are staggered to expire on a four-seat cycle, followed by the expiration of three seats, every two years. The term of a council member begins on the last Sunday of November of the year the member is elected to office. The Council elects a Mayor and Vice Mayor from within its ranks. These officers each serve a two-year term. The Mayor's primary duties include presiding over City Council meetings and performing ceremonial civic duties. The Vice Mayor assumes the duties of the Mayor in his or her absence. In 1996, the City obtained the services of a magistrate to oversee the proceedings of Montgomery's Mayor's Court.

The City Council has established various boards and commissions to help in its many efforts - from arts to a sister city - to enhance the City. The following is a brief description of their purposes and goals:

Arts Commission

This Commission was established to foster the visual and performing arts within the City. It was established when a Montgomery resident bequeathed his estate, including artwork, to the City with the request that the City promote artistic endeavors. The Commission advises Council on the prudent and productive use of its financial resources, including the assets held in trust. It sponsors activities throughout the year, such as a photography contest and concerts, which are open to the general public.

Beautification and Tree Commission

This Commission develops a yearly plan for the care of trees, shrubs, and flowers in public areas. It also proposes programs and makes recommendations for the use of allocated funds. Throughout the year, the Commission sponsors events, including the Arbor Day celebration and a Beautification Week, when flowers are planted by volunteers in beds throughout the City. The Commission also gives out the Beautification Awards to homes and businesses with outstanding landscaping. Through the Commission's efforts, the City has received the designation of Tree City USA from the National Arbor Day Foundation for twenty-three consecutive years.

Board of Tax Review

This Board is defined by ordinance to hear appeals from persons dissatisfied with rulings or decisions made by the Tax Commissioner or other City officials regarding taxes and penalties imposed. The Board has the authority to affirm, reverse or modify such rulings or decisions. Hearings requested by a taxpayer before the Board are not meetings of a public body subject to Sections 121.22 of the Ohio Revised Code.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2019

Board of Zoning Appeals

This Board was established to interpret the provisions of the zoning code in order to carry out the intent of the code. Public hearings and meetings are held to review various requests and any other appeals related to the provisions and administration of the City's zoning code.

Civil Service Commission

Defined by the City Charter, the Civil Service Commission ensures that all appropriate civil service examinations and procedures are applied when appointments and promotions are made in the City's classified services. This Commission makes recommendations to City Council concerning the determination of merit and fitness as the basis for promotions, demotions, suspensions and removals of employees in classified positions. It is charged with recommending standards to ensure that open classified positions are filled based on competitive examinations and merit, efficiency, character, conduct and seniority. Full-time police and firefighters, excluding the Chief of Police, Police Lieutenant, Fire Chief and the Assistant Fire Chief, are the only classified positions in the City of Montgomery.

Environmental Advisory Commission

This Commission has a mission statement that focuses upon making Montgomery an environmentally-conscious community. Members provide education and information to the public and are a resource for the City on yard waste, recycling, storm water management, water resources management, air pollution control, noise pollution control and soil and landscape protection and protection of flora and fauna. Commission members assist with Adopt-a-Spot, Cardboard Recycling, City-wide garage sale, One-Stop-Drop, and educational programs.

Landmarks Commission

The Landmarks Commission provides for the preservation of Montgomery's historical, architectural and archeological heritage. It provides research into the historical aspects of various Montgomery properties, and works to designate and protect those areas, places, buildings or objects that possess significance in terms of the City's cultural, social, economic, political or architectural heritage. Its members work to educate the City's residents and businesses concerning the City's historical heritage, work with other preservation organizations and the Ohio Preservation Office. It also makes recommendations to the Planning Commission and City Council on matters of legislation and development that may affect the City's landmarks or heritage.

Parks and Recreation Commission

The City has worked to acquire and develop desirable areas for its park system that supports all the Montgomery neighborhoods, including the Montgomery Community Pool. The Commission's goal is to improve the quality of life for Montgomery residents through the development and maintenance of an integrated park system and by offering a well-rounded recreation program. Its activities include long-term planning for repair and replacement of park equipment.

Planning Commission

This Commission is defined by the City Charter to hold public hearings and make recommendations to City Council concerning the City's subdivision, platting and zoning ordinances and regulations. It works in cooperation with other governmental or private planning agencies to secure the maximum benefits for Montgomery. It regularly conducts studies and surveys, as well as plans for the growth, development, redevelopment, rehabilitation and renewal of the City.

***Letter of Transmittal
For the Year Ended December 31, 2019***

Sister Cities Commission

The Sister Cities Commission, like the Arts Commission, is another cultural endeavor designed to enhance City life and to provide education and understanding concerning other cultures. It participates in an active exchange program with our Sister City in France, Neuilly-Plaisance. Activities sponsored during the year include an annual Bastille Day Celebration, professional and student exchanges, and an International Reception.

We are pleased and honored to have many volunteers who dedicate hundreds of hours to each of these endeavors. Without them, many projects and activities, which enhance the quality of life in Montgomery, would not be possible.

ECONOMIC CONDITIONS AND OUTLOOK

Montgomery is a premier community in which to live, work and play. Its prime location, along Interstates 71 and 275 in northeastern Hamilton County, alluring properties, and easy access to the greater Cincinnati region has created consistently high values for both residential and commercial properties. Montgomery is located in the Sycamore Community Schools district, a district that is nationally recognized for its academic excellence.

The City's economy is diverse with an ideal mix of residential, office and retail use. Primary employers include Bethesda North Hospital, the Sycamore Community School district, the world-famous Montgomery Inn, the Ohio National Financial Services, and TriHealth, Inc. In addition to the economic contributions of those major employers, the City has experienced an expanding medical services sector with a variety of general and specialty medical practitioners and clinics, including the construction of the new Thomas Comprehensive Care Center, a 135,000-square foot medical office building located on the Bethesda North Hospital campus.

As national and regional economic conditions continue to improve, 2019 proved to be another successful year for the City of Montgomery. Thanks to concerted efforts in financial planning, including multi-year budgeting, capital improvement planning, and the use of targeted fund balances, the City remained financially healthy through 2019 and was able to enter 2020 with continued goals of delivering high quality products and services to our citizens, businesses and community visitors and to engage all of these customers in the work of our organization.

MAJOR INITIATIVES

On the southern end of the City, work continued on the planning of the Montgomery Quarter. This mixed-use project will feature a unique urban-suburban lifestyle blend and will include professional office, boutique hotel, condominiums, and a restaurant row built around a new community green. The Planning Commission approved a General Development Plan for Phase 1 of the Montgomery Quarter in March of 2019. A Final Development Plan for Phase 1A of the project, which includes site preparation, utility relocation and the street network for Phase 1 was approved by the Planning Commission in October of 2019. Work began on site preparation, utility relocation and installation of the street grid on Phase 1A of the project in May 2020.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2019

As a companion piece to the Montgomery Quarter, the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) approved and awarded funding for a grant application submitted by the City for an interchange modification project at Montgomery Road and Ronald Reagan Cross County Highway. The project includes the construction of a modified two-lane roundabout, installation of a traffic signal in and around the interchange, and demolition of the existing bridge at this location. The project will have a safe and positive impact on traffic while opening more land for redevelopment. Initial work on the project began in December of 2019.

The City launched a brand and image campaign in 2019 to ensure the City's brand is relevant and reflective of the community and portrays the appropriate image to attract and retain businesses, visitors, and residents. City leaders and staff captured input from stakeholder interviews and resident and visitor surveys. Using the data collected from the communications audit, interviews, conversation, and surveys we created a messaging brand strategy touching on preservation of the City's heritage and progressive planning for a vibrant future. The brand messaging includes Montgomery's new tagline: "A Charming Past. A Glowing Future."

Construction of the public improvements for the northern side of the Village Section of the Vintage Club were substantially completed in 2019. The first two condominium buildings, known as The Wicks at the Vintage Club were also substantially completed with a model opening in February of 2020. Site work for Buildings A and B as well as construction of Building A began and was substantially complete in 2019. Building B will be the home of GE Credit Union, which is scheduled to open in March of 2020. The Planning Commission approved Phase 9 of the Vintage Club in March of 2019, which included the building architecture and design of Building A. Construction of Building B began in the Spring of 2019 and the building is nearing completion. Orange Theory Fitness will be the occupant of Building A and is scheduled to open in April of 2020. The Planning Commission approved Phase 10 of the Vintage Club in October of 2019, which included the building architecture and design of Building C. A building permit has been secured for this building and construction should start in spring of 2020. The final product will be an attractive mixed-use development with retail, office, restaurants and condominiums that will complement the existing homes and The Christ Hospital Health Network medical office building.

The Planning Commission approved a Final Development Site Plan in March of 2018 to allow TriHealth to construct 135,000 square foot medical office building and associated parking garage on the Bethesda North Campus. The Thomas Comprehensive Care Center will create a patient-centered, multi-disciplinary approach to comprehensive care and consolidate outpatient care services of the TriHealth Cancer Institute, TriHealth Heart Institute, and the Mary Jo Cropper Family Center for Breast Care and TriHealth Imaging departments. Work on this exciting project began in May of 2018 and was completed in February of 2020. The Thomas Comprehensive Care Center will allow TriHealth to continue to meet the needs of their residents today and for years to come.

Community engagement is the City's effort to organize our greatest resource, the community, in the work we do in service to Montgomery and was a primary activity in 2019. Twenty-Seven graduates of the Montgomery Citizens' Leadership Academy joined the Montgomery Citizens' Leadership Academy (MCLA) Alumni in 2019, to bring the total number of MCLA graduates to 344 over the 13 years of this educational program. This program, which is designed to transform residents into active and engaged citizens, also features partnerships with local businesses and organizations, such as Bethesda North Hospital, Ohio National Financial Services, Twin Lakes Senior Living Community, the Hamilton County Emergency Regional Operations Center and the Sycamore Community Schools.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2019

City staff continued its work on the 2016-2021 Strategic Plan, which contains five goals. The goals cover areas such as Core Services, Economic Development, Housing, Quality of Life, and Finances. Montgomery City Council received several updates throughout the year.

During 2019 the City of Montgomery was recognized for achievements in a wide variety of areas and by a diverse group of organizations which included:

- The Certificate of Achievement for Excellence in Financial Reporting for our 2018 Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by our entire City. This is the twenty fourth consecutive year the City has received this award.
- The Tree City USA and Growth Award for 2019. This represents the twenty fourth year in a row that the City has received the Tree City USA Award and twenty first year that it has received the Growth Award.
- Montgomery was awarded the designation of a Top Workplace in 2019 by the Cincinnati Enquirer, in partnership with Energage. Out of the many recipients of this award for the Cincinnati area, the City of Montgomery was the only municipality selected.
- In June, was presented by Keith Faber, Auditor of the State of Ohio, the “Auditor of State Award with Distinction” award for the fiscal year 2018 financial audit. Fewer than five percent of all Ohio government agencies are eligible for this award.
- The Gold Award at the 2019 AAA Traffic Safety Awards ceremony. The City of Montgomery was among 16 jurisdictions and police departments in greater Cincinnati that were honored for their exemplary programs that address issues from impaired and distracted driving to teen and senior driver safety.
- Continued positive feedback from its insurance and risk management pool, the Miami Valley Risk Management Association (MVRMA), as the City received a 100% rating on its Safety Performance Evaluation Checklist (SPEC) review in 2019. This is ten years in a row that the City has received this rating.

In 2019, the City continued its work on updates to its park system. The work involved delivered upgrades to the City’s various parks and recreation facilities through infrastructure and facility upgrades. All improvements are necessary to sustain the quality experience enjoyed by users of the parks, to ensure the safety of the facilities and equipment, and to maintain the operational and financial schedules and plans for the upkeep of the parks.

In 2019, the following park improvements were completed:

- Fountain replacement/refurbishment in various parks.
- Resurface basketball courts at Dulle Park.
- Lighting repairs and upgrades to LED as needed in various parks.
- Replacement of safety surfacing material at various playgrounds.

***Letter of Transmittal
For the Year Ended December 31, 2019***

- Resurface, repair and restripe parking lots at various parks.
- Asphalt path improvements various paths throughout the parks.

In 2019, the following capital improvements were completed:

Major infrastructure repairs and rehabilitation of approximately 1.76 centerline miles of roadway resurfacing for all or portions of nine streets including: Cooper Road, Hopewell Road, Windzag Lane, Hickory Bluff Court, Tradewind Court, Baywind Drive, Driftwind Court, Fairwind Court and Crestwind Circle.

In 2019, 21 of the 704 fire hydrants were replaced within the City. This work was done in conjunction with the street resurfacing program and was the sixth year of a multi-year comprehensive plan to address the aging fire hydrants in the community.

Public works staff completed the annual Street Crack Seal program. Crack seal is the best performing, yet least expensive, maintenance activity for extending the life of asphalt pavement. Approximately 9 centerline miles of roadway were treated in 2019, including all or portions of 42 streets.

Another yearly program completed in 2019 is the Corrugated Metal Pipe lining program. This new program began in 2019 to address the City's aged metal storm sewer pipe infrastructure. Lining the corrugated metal pipes extend their life, add structural integrity, and is more cost effective than performing a complete pipe replacement. In 2019, 170-feet of 66-inch diameter corrugated metal pipe was lined at 9546 Montgomery Road.

In 2019, the City was again recognized with a Tree City USA Award for the twenty fourth year and also a Tree City USA Growth Award for the twentieth first year for its ongoing commitment and action focused on environmental stewardship through care of public trees in the City's urban forest.

The Ohio Department of Transportation approved and awarded funding for replacing barriers and adding a sidewalk to the bridge located on Cornell Road crossing over I-275 and also replacing the bridge deck and adding a sidewalk to the bridge located on Weller Road which crosses I-275. The State of Ohio is providing 100% of the eligible cost of the project which is being funded with Federal and State Safety funds.

Hamilton County Commissioners awarded funding for Municipal Road Funds in the amount of \$300,000 to assist with construction costs associated with repaving and storm water modifications to portions of Montgomery Road associated with the Roundabout Project.

The City contracted with Ford Development Corporation to construct the Montgomery Gateway Phase 1 water main Replacement project. This project consists of replacing the existing 8" water main with 12" water main on Montgomery Road from Cooper Road to Hartfield Place. The project was necessary to supply adequate water flow and pressure to the Montgomery Quarter development.

***Letter of Transmittal
For the Year Ended December 31, 2019***

FINANCIAL HIGHLIGHTS

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance department.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Budgetary control is maintained within the personal services and non-personnel categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase orders which result in an overrun above appropriated balances are not released until additional appropriations are made available via amendments to the annual appropriations ordinance.

FINANCIAL PLANNING AND POLICIES

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of the federal law, Ohio Revised Code, generally accepted accounting principles (GAAP), and the City of Montgomery's codified ordinances. The departmental goals are to develop sound fiscal policies, provide solid financial management for the City, maintain reserves and fiscal integrity, and protect the assets of the citizens of Montgomery.

The City has established a five-year capital improvement program which drives the City's annual operating budget; a fiscal policy on cash reserves for the General Fund, the Capital Improvement Fund, the General Obligation Bond Retirement Fund, the Arts and Amenities Fund and the Fire/EMS Fund; and a conservative investment policy for the safe-guarding of investment income.

***Letter of Transmittal
For the Year Ended December 31, 2019***

OTHER INFORMATION

Independent Audit

Included in this report is the unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2019, by the State of Ohio Auditor's Office. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Montgomery for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

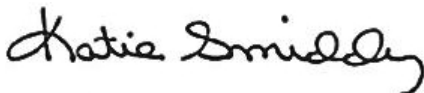
A Certificate of Achievement is valid for a period of one year only. The City of Montgomery has received a Certificate of Achievement for the last twenty-four consecutive years (fiscal years which ended on December 31, 1995-2018). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting this report to the GFOA.

Acknowledgments

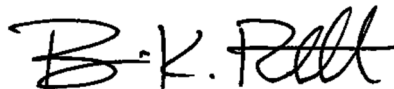
We want to extend sincere appreciation to the many individuals who have contributed their time and effort in gathering data for this report, particularly the various City departmental staff and members of the Hamilton County Auditor's Office.

Also, it is important to recognize the continued dedication and support of the Montgomery City Council and its Financial Planning Committee. Their commitment to sound financial practices and reporting is the reason this CAFR is possible.

Respectfully submitted,



Katie Smiddy
Finance Director



Brian Riblet
City Manager

CITY OF MONTGOMERY, OHIO

***List of Principal Officials
For the Year Ended December 31, 2019***

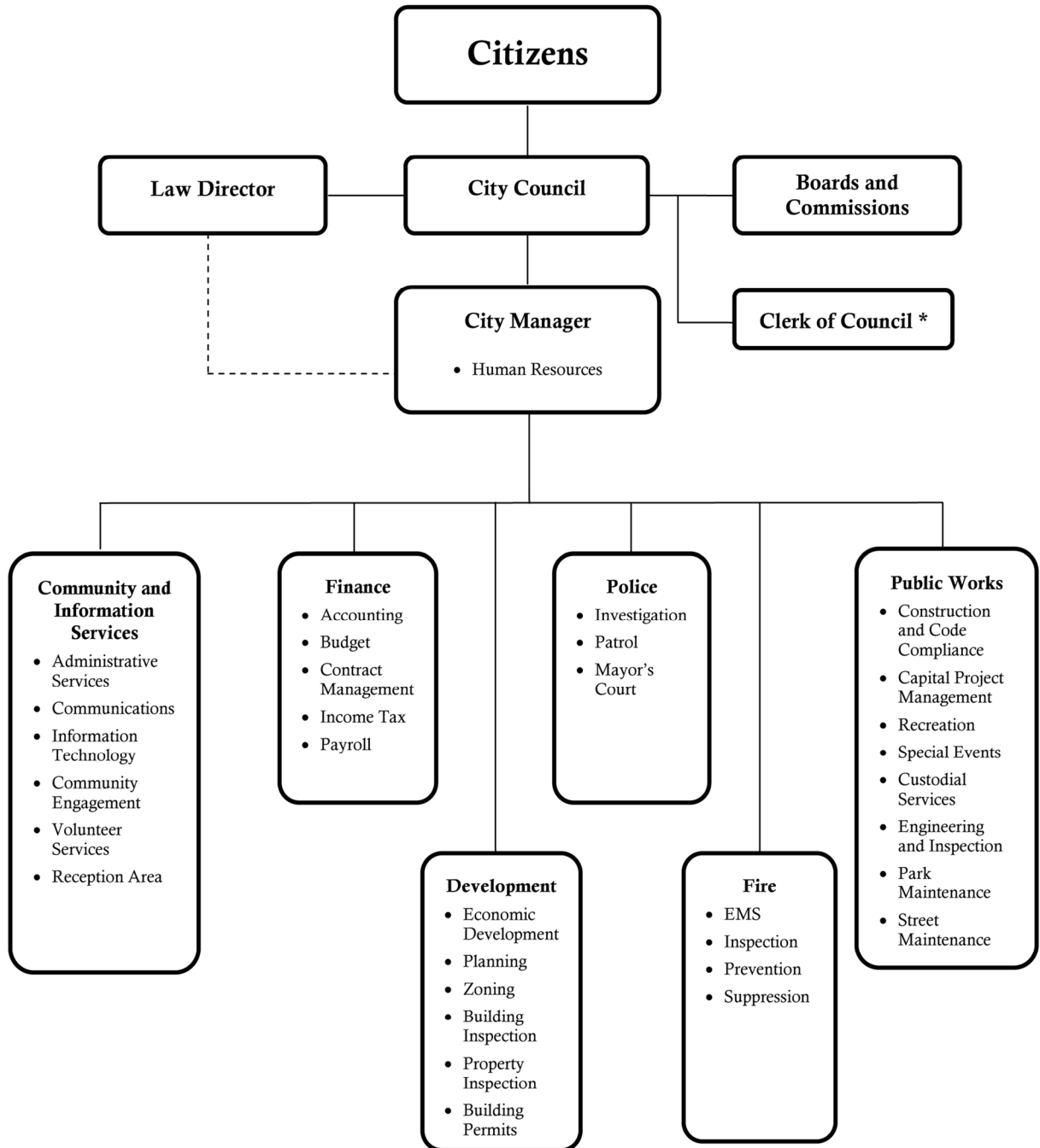
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chris Dobrozsi	Mayor	December 2021
Linda Roesch	Vice Mayor	December 2021
Lee Ann Bissmeyer	Council	December 2021
Ken Suer	Council	December 2021
Gerri Harbison	Council	December 2023
Craig Margolis	Council	December 2023
Mike Cappel	Council	December 2023

Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Terry Donnellon	Director of Law	Indefinite
Connie Gaylor	Clerk of Council	Indefinite
Brian Riblet	City Manager	Indefinite

**City Organizational Chart
For the Year Ended December 31, 2019**



* Clerk of Council functions are provided through the Administrative Coordinator position in the Community and Information Services Department with the City Council confirming the appointment as Clerk of Council



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Montgomery
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of Montgomery
Hamilton County
10101 Montgomery Road
Montgomery, Ohio 45242

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Hamilton County, Ohio, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparisons for the General and Fire Protection/EMS Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Keith Faber
Auditor of State

Columbus, Ohio

July 17, 2020



The discussion and analysis of the City of Montgomery's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- ❑ Net position of governmental activities increased \$9,172,534, which represents a 13% increase from 2018.
- ❑ General revenues accounted for \$22,031,798 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,841,615 or 11% of total revenues of \$24,873,413.
- ❑ The City had \$15,700,879 in expenses related to governmental activities; only \$2,841,615 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,031,798 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$12,248,622 in revenues and other financing sources and \$10,433,818 in expenditures and other financing uses. The general fund's fund balance increased \$1,814,804 to \$15,805,792.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the City's overall health, the reader needs to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are comprised of:

- *Governmental Activities* – Most of the City's programs and services are reported here including public safety, parks and recreation, community economic development, public works and general government.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position at December 31, 2019 and 2018:

	Governmental Activities	
	2019	Restated 2018
Current and Other Assets	\$57,369,480	\$54,396,763
Capital Assets, Net	64,650,242	63,451,846
Total Assets	<u>122,019,722</u>	<u>117,848,609</u>
Deferred Outflows of Resources	5,851,902	2,864,796
Net Pension Liability	15,224,854	10,527,459
Net OPEB Liability	3,421,266	8,975,340
Other Long-Term Liabilities	18,908,999	19,776,215
Other Liabilities	1,140,383	1,000,915
Total Liabilities	<u>38,695,502</u>	<u>40,279,929</u>
Deferred Inflows of Resources	11,904,759	12,334,647
Net Position		
Net Investment in Capital Assets	49,348,148	47,555,921
Restricted	22,918,214	21,696,557
Unrestricted (Deficit)	5,005,001	(1,153,649)
Total Net Position	<u>\$77,271,363</u>	<u>\$68,098,829</u>

A 4% increase in assets can mostly be attributed to an increase in cash. The increase in cash was the result of an increase in property tax revenues, which was due to the passage of a 6 mil additional levy for fire and EMS. An increase in deferred outflows of resources was the result of changes in the net pension and net OPEB liabilities. A substantial decrease in the net OPEB liability was offset by an increase in the net pension liability, resulting in a net decrease in liabilities of 4%.

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

CITY OF MONTGOMERY, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2019****Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2019 and 2018:

	Governmental Activities	
	2019	2018
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,481,529	\$1,603,971
Operating Grants and Contributions	942,813	459,038
Capital Grants and Contributions	417,273	394,361
Total Program Revenues	<u>2,841,615</u>	<u>2,457,370</u>
General Revenues:		
Property Taxes	10,104,586	6,232,147
Income Taxes	9,899,146	9,528,350
Other Local Taxes	57,591	50,803
Intergovernmental, Unrestricted	914,767	823,338
Investment Earnings	824,461	369,190
Miscellaneous	231,247	273,844
Total General Revenues	<u>22,031,798</u>	<u>17,277,672</u>
Total Revenues	<u>24,873,413</u>	<u>19,735,042</u>
Program Expenses		
Public Safety	2,149,098	7,001,538
Parks and Recreation	1,571,912	1,451,641
Community Economic Development	750,246	981,654
Public Works	3,739,794	2,958,271
General Government	6,533,156	5,085,300
Interest and Fiscal Charges	956,673	805,080
Total Expenses	<u>15,700,879</u>	<u>18,283,484</u>
Total Change in Net Position	9,172,534	1,451,558
Beginning Net Position - Restated	<u>68,098,829</u>	<u>66,647,271</u>
Ending Net Position	<u>\$77,271,363</u>	<u>\$68,098,829</u>

Governmental Activities

Governmental activities net position increased \$9,172,534, or 13%. An increase in property tax revenues was due to the passage of a 6 mil additional levy for fire and EMS. An increase in operating grants and contributions can be attributed to increases in gas tax revenue as well as a donation received from a resident for the police department. The increase in gas tax revenue was the result of an increase in the tax rate. Investment earnings increased due to changes in the fair value of investments as well as changes in invested balances.

A substantial decrease in public safety expense can be attributed to changes in the Ohio Police and Fire net OPEB liability. An increase in general government can be attributed to costs for installation of a water main to service the Montgomery Quarter, increases in salaries across all general government departments, and income tax refunds.

CITY OF MONTGOMERY, OHIO

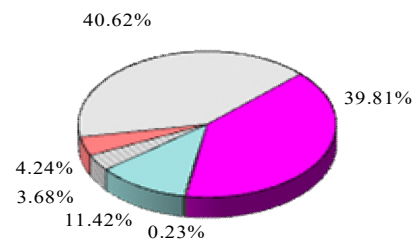
**Management’s Discussion and Analysis
For the Year Ended December 31, 2019**

Unaudited

The City has a 1% earnings tax for residents levied on all earned income, which includes, but is not limited to, qualified wages, the net profit of any business income, rental income and gambling winnings. Credit is given to residents employed in another city; the credit is limited to 1%. A 1% earnings tax is levied on all entities doing business within Montgomery, and employers within the City are required to withhold a 1% earning tax on all compensation paid to their employees.

Property taxes and income taxes made up 41% and 40% respectively of revenues for governmental activities in fiscal year 2019. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 81% of total revenues from general tax revenues:

Revenue Sources	2019	Percent of Total
Property Taxes	\$10,104,586	40.62%
Income Taxes	9,899,146	39.81%
Other Local Taxes	57,591	0.23%
Program Revenues	2,841,615	11.42%
Intergovernmental, Unrestricted	914,767	3.68%
General Other	1,055,708	4.24%
Total Revenue	\$24,873,413	100.00%



FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The City’s governmental funds reported a combined fund balance of \$41,867,713, which is an increase from last year’s balance of \$39,301,112. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2019 and 2018:

	Fund Balance December 31, 2019	Restated Fund Balance December 31, 2018	Increase (Decrease)
General	\$15,805,792	\$13,990,988	\$1,814,804
Fire Protection / EMS	6,503,566	3,602,435	2,901,131
Vintage Club Tax Increment	2,536,696	3,560,301	(1,023,605)
Capital Improvement	4,411,095	4,438,089	(26,994)
Other Governmental	12,610,564	13,709,299	(1,098,735)
Total	\$41,867,713	\$39,301,112	\$2,566,601

General Fund – The City’s General Fund balance change is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

CITY OF MONTGOMERY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Unaudited

	2019 Revenues	2018 Revenues	Increase (Decrease)
Taxes	\$10,288,516	\$9,889,913	\$398,603
Intergovernmental Revenues	500,761	457,950	42,811
Charges for Services	116,646	109,889	6,757
Rental Revenue	73,916	58,310	15,606
Licenses, Permits and Fees	458,916	605,918	(147,002)
Investment Earnings	513,477	172,028	341,449
Fines and Forfeitures	104,796	115,403	(10,607)
All Other Revenue	113,499	197,345	(83,846)
Total	<u>\$12,170,527</u>	<u>\$11,606,756</u>	<u>\$563,771</u>

General Fund revenues increased 5% when compared to revenues in the prior year. An increase in taxes can be attributed to an increase in income taxes, due to increased economic activity. An increase in licenses, permits and fees in the prior year due to an increase in building permits resulted in a subsequent decrease in 2019. An increase in investment earnings can be attributed to an increase in the amount of City funds placed in investment accounts as compared with the prior year.

	2019 Expenditures	2018 Expenditures	Increase (Decrease)
Public Safety	\$3,563,467	\$3,408,149	\$155,318
Parks and Recreation	1,104,344	1,046,751	57,593
Community Economic Development	632,324	839,459	(207,135)
Public Works	627,299	507,137	120,162
General Government	3,823,384	3,319,438	503,946
Total	<u>\$9,750,818</u>	<u>\$9,120,934</u>	<u>\$629,884</u>

General Fund expenditures increased \$629,884 from the prior year. An increase in public safety can be attributed to increases in salaries and benefits. An increase in the prior year in community economic development due to increased costs for building inspections and permits resulted in a subsequent decrease in the current year. A decrease in public works salaries in the prior year due to turnover in the public works department resulted in a subsequent increase in the current year. An increase in general government can be attributed to an increase in salaries across all general government departments as well as an increase in income tax refunds.

Fire Protection/EMS Fund - The fund balance of the Fire Protection/EMS Fund, a major governmental fund, increased \$2,901,131. Property tax revenues increased substantially from the prior year due to the passage of a new 6-mill operating levy. Expenditures were consistent with the prior year.

Vintage Club Tax Increment Fund – The fund balance of the Vintage Club Tax Increment Fund, a major governmental fund, decreased 29% during 2019. This fund reported the issuance of \$11,550,000 of refunding bond proceeds. The City used the proceeds of the bonds, plus existing fund balance to retire bonds previously issued. This resulted in the decrease in fund balance.

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2019

Unaudited

Capital Improvement Fund - The fund balance of the Capital Improvement Fund, a major governmental fund, remained stable in 2019, decreasing \$26,994 or less than 1%. A decrease in revenues can be attributed to \$720,000 of grants received for sidewalk and other infrastructure improvements in the prior year. Expenditures were consistent with the prior year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. For the General Fund, original revenue estimates, final revenue estimates, and actual budget basis revenues were not significantly different. Final budgeted expenditures were not significantly different from original estimates. Controlled costs across all General Fund departments resulted in actual expenditures that were 8% less than final budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019 the City had \$64,650,242 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. The following table shows 2019 and 2018 balances:

	Governmental Activities		Increase (Decrease)
	2019	2018	
Land	\$23,684,504	\$23,664,554	\$19,950
Construction In Progress	3,564,128	2,552,007	1,012,121
Buildings	16,702,590	16,678,277	24,313
Improvements Other than Buildings	5,934,830	8,307,920	(2,373,090)
Infrastructure	32,864,248	31,586,299	1,277,949
Machinery and Equipment	3,211,041	6,338,941	(3,127,900)
Less: Accumulated Depreciation	(21,311,099)	(25,676,152)	4,365,053
Totals	<u>\$64,650,242</u>	<u>\$63,451,846</u>	<u>\$1,198,396</u>

Construction in progress included roundabout installation, sidewalk improvements, and infrastructure improvements at the Vintage Club housing development. Infrastructure additions included sidewalk improvements as well as routine street resurfacing improvements. Machinery and equipment additions included equipment purchases in the police, fire, administration, and street departments.

During 2019, the City disposed of a significant amount of obsolete capital assets, resulting in decreases in improvements and machinery and equipment.

Additional information on the City's capital assets can be found in Note 9.

**Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Unaudited

Debt and Other Long-Term Obligations

At December 31, 2019, the City had \$17.9 million in bonds outstanding, \$730,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Governmental Activities:		
Special Obligation TIF Bonds	\$17,651,370	\$18,417,145
Special Assessment Bonds	215,000	384,867
Compensated Absences	<u>1,042,629</u>	<u>974,203</u>
Total Governmental Activities	<u>\$18,908,999</u>	<u>\$19,776,215</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2019, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

In 2019:

- Construction of the public improvements for the northern side of the Village Section of the Vintage Club were substantially completed in 2019. The first two condominium buildings, known as The Wicks at the Vintage Club were also substantially completed with a model opening in February of 2020. Site work for Buildings A and B as well as construction of Building A began and was substantially complete in 2019. Building B will be the home of GE Credit Union, which is scheduled to open in March of 2020. The Planning Commission approved Phase 9 of the Vintage Club in March of 2019, which included the building architecture and design of Building A. Construction of Building B began in the Spring of 2019 and the building is nearing completion. Orange Theory Fitness will be the occupant of Building A and is scheduled to open in April of 2020. The Planning Commission approved Phase 10 of the Vintage Club in October of 2019, which included the building architecture and design of Building C. A building permit has been secured for this building and construction should start in spring of 2020. City staff will continue to work with the developer in 2020 to bring this project to fruition. The City originally approved the establishment of the Vintage Club Planned Development in 2006 for approximately 15 acres along Montgomery Road north of I-275 to allow the creation of a mixed-use village with residential and commercial uses. The final product will be an attractive mixed-use development with retail, office, restaurants and condominiums that will complement the existing homes and The Christ Hospital Health Network medical office building.

- On the southern end of the City, work continued on the planning of the Montgomery Quarter. This mixed-use project will feature a unique urban-suburban lifestyle blend and will include professional office, boutique hotel, condominiums, and a restaurant row built around a new community green. The Planning Commission approved a General Development Plan for Phase 1 of the Montgomery Quarter in March of 2019. A Final Development Plan for Phase 1A of the project, which includes site preparation, utility relocation and the street network for Phase 1 was approved by the Planning Commission in October of 2019. Work is expected to begin in May of 2020 of Phase 1A of the project. As part of the project, the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) approved and awarded funding for a grant application submitted by the City for an interchange modification project at Montgomery Road and Ronald Reagan Cross County Highway. The project includes the construction of a modified two-lane roundabout, installation of a traffic signal in and around the interchange, and demolition of the existing bridge at this location. The project would have a safe and positive impact on traffic while opening more land for redevelopment. Work on the project began in April of 2020.
- Twin Lakes completed construction of 22 new villa homes just south of the Safety Center on Montgomery Road. With access from Arborcreek Lane off of Hopewell Road, these villa homes are an extension of Twin Lakes North Campus and all of the homes are occupied. Twin Lakes has begun to study the vacant property north of First Financial Bank at the intersection of Montgomery Road and Schoolhouse Lane on the east side of Montgomery Road to determine the appropriate future use of this property. Staff will continue to work with Twin Lakes in 2020 on proposed plans.
- The Planning Commission approved a Final Development Site Plan in March of 2018 to allow TriHealth to construct 135,000 square foot medical office building and associated parking garage on the Bethesda North Campus. The Thomas Comprehensive Care Center will create a patient-centered, multi-disciplinary approach to comprehensive care and consolidate outpatient care services of the TriHealth Cancer Institute, TriHealth Heart Institute, and the Mary Jo Cropper Family Center for Breast Care and TriHealth Imaging departments. Work on this exciting project began in May of 2018 and was completed in February of 2020. The Thomas Comprehensive Care Center will allow TriHealth to continue to meet the needs of their residents today and for years to come.
- The Planning Commission approved a Final Development Site Plan in October of 2018 to allow Robert Lucke Group to construct 12 new villa homes along Montgomery Road north of the Safety Center. The existing single-family homes have been demolished to make way for The Villas of Montgomery, which will include six new single-family attached dwellings and open space. Drivers may access this latest development by a private drive which will be right-in/right-out. The plans call for the addition of a sidewalk along Montgomery Road and well-designed new buildings with landscaping along Montgomery Road and throughout the site. Three of the six buildings have been constructed or are under construction and two units have been sold to private individuals.

- Work continued on the Orchard Trail subdivisions, and six building permits have been issued for the development. The 29-lot, single-family, detached subdivision is on the site of the former Montgomery Swim and Tennis Club on Orchard Club Drive. Camden Homes received approval for the development; however, Daley Design Build took over the project in 2018. Following the transition of ownership, Daley Design Build sold multiple lots to several different builders. This is a significant change in the development, as it was originally intended for all the houses to be built by the same builder. Due to the change of ownership, the new subdivision saw a significant increase in lots sold in 2019, as well as a few houses completed and sold. The new subdivision will feature high-end, empty-nester type housing with a pocket park and a walking trail.
- Two commercial building permits for new construction and expansion were issued in 2019. One building permit was issued for the construction of a retail building at the Vintage Club for Orange Theory Fitness. The other commercial building permit was issued for exterior renovations at 9749 Montgomery Road for Heritage Bank. The total value of improvements for new commercial developments, expansion, and additions was significantly lower in 2019 at \$831,790 versus \$129 million in 2018. This is due to the fact that the majority of the significant projects that were being constructed in 2019 were permitted near the end of 2019.
- The residential sector was busy in 2019 with the building department issuing 23 permits for new homes and 60 permits for residential remodeling/room additions. The total value of residential construction was estimated at \$11.7 million. The City issued 15 demolition permits in 2019, which is six less than were issued in 2018. Since 2001, there have been a total of 291 teardowns in the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If the reader has questions about this report or needs additional financial information please contact Katie Smiddy, Finance Director of the City of Montgomery.

CITY OF MONTGOMERY, OHIO

**Statement of Net Position
December 31, 2019**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 21,032,024
Investments	19,508,728
Receivables:	
Taxes	13,647,021
Accounts	55,557
Intergovernmental	813,367
Interest	53,852
Special Assessments	1,108,704
Prepaid Items	163,505
Restricted Assets:	
Investments	986,722
Non-Depreciable Capital Assets	27,248,632
Depreciable Capital Assets, Net	37,401,610
Total Assets	122,019,722
Deferred Outflows of Resources:	
Deferred Charge on Debt Refunding	464,526
Pension	4,412,987
OPEB	974,389
Total Deferred Outflows of Resources	5,851,902
Liabilities:	
Accounts Payable	351,669
Accrued Wages and Benefits	404,611
Intergovernmental Payable	173,207
Due to Fiscal Agent	165,000
Accrued Interest Payable	45,896
Noncurrent Liabilities:	
Due Within One Year	1,219,358
Due in More Than One Year:	
Net Pension Liability	15,224,854
Net OPEB Liability	3,421,266
Other Liabilities Due in More Than One Year	17,689,641
Total Liabilities	38,695,502
Deferred Inflows of Resources:	
Property Tax Levy for Next Fiscal Year	11,249,658
Pension	230,106
OPEB	424,995
Total Deferred Inflows of Resources	11,904,759

CITY OF MONTGOMERY, OHIO

	Governmental Activities
Net Position:	
Net Investment in Capital Assets	49,348,148
Restricted For:	
Capital Projects	7,410,355
Debt Service	5,211,904
Public Works	1,918,569
Public Safety	6,928,259
Arts and Amenities:	
Expendable	266,063
Nonexpendable	382,233
Other Purposes	800,831
Unrestricted	5,005,001
Total Net Position	\$ 77,271,363

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Activities
For the Year Ended December 31, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Public Safety	\$ 2,149,098	\$ 473,373	\$ 264,175	\$ 15,031
Parks and Recreation	1,571,912	426,279	0	0
Community Economic Development	750,246	330,105	0	0
Public Works	3,739,794	36,860	644,379	402,242
General Government	6,533,156	214,912	34,259	0
Interest and Fiscal Charges	956,673	0	0	0
Total Governmental Activities	\$ 15,700,879	\$ 1,481,529	\$ 942,813	\$ 417,273

General Revenues

Property Taxes Levied for:

General Purposes

Income Taxes

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities

\$	(1,396,519)
	(1,145,633)
	(420,141)
	(2,656,313)
	(6,283,985)
	(956,673)
\$	<u>(12,859,264)</u>

	10,104,586
	9,899,146
	57,591
	914,767
	824,461
	<u>231,247</u>
	<u>22,031,798</u>
	9,172,534
	<u>68,098,829</u>
\$	<u><u>77,271,363</u></u>

CITY OF MONTGOMERY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2019**

	General	Fire Protection / EMS	Vintage Club Tax Increment	Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 6,517,910	\$ 2,737,811	\$ 2,092,313	\$ 1,580,513
Investments	8,717,678	3,842,441	0	2,218,204
Receivables:				
Taxes	4,667,925	5,377,346	2,894,590	433,158
Accounts	55,286	121	0	0
Intergovernmental	213,136	121,286	93,885	20,367
Interest	26,978	11,982	0	6,917
Special Assessments	0	0	0	0
Interfund Loans Receivable	0	0	0	467,840
Prepaid Items	116,357	32,451	0	0
Restricted Assets:				
Investments	111,918	0	484,259	0
Total Assets	\$ 20,427,188	\$ 12,123,438	\$ 5,565,047	\$ 4,726,999
Liabilities:				
Accounts Payable	\$ 151,626	\$ 2,264	\$ 0	\$ 78,296
Accrued Wages and Benefits Payable	262,049	110,893	0	0
Intergovernmental Payable	132,881	450	39,876	0
Interfund Loans Payable	0	0	0	0
Due to Fiscal Agent	0	0	0	0
Total Liabilities	546,556	113,607	39,876	78,296
Deferred Inflows of Resources:				
Unavailable Amounts	1,188,570	241,877	136,475	237,608
Property Tax Levy for Next Fiscal Year	2,886,270	5,264,388	2,852,000	0
Total Deferred Inflows of Resources	4,074,840	5,506,265	2,988,475	237,608
Fund Balances:				
Nonspendable	117,529	32,451	0	0
Restricted	111,918	6,471,115	2,536,696	4,411,095
Committed	460,052	0	0	0
Assigned	330,468	0	0	0
Unassigned	14,785,825	0	0	0
Total Fund Balances	15,805,792	6,503,566	2,536,696	4,411,095
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,427,188	\$ 12,123,438	\$ 5,565,047	\$ 4,726,999

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 8,103,477	\$ 21,032,024
4,730,405	19,508,728
274,002	13,647,021
150	55,557
364,693	813,367
7,975	53,852
1,108,704	1,108,704
0	467,840
14,697	163,505
<u>390,545</u>	<u>986,722</u>
<u>\$ 14,994,648</u>	<u>\$ 57,837,320</u>
\$ 119,483	\$ 351,669
31,669	404,611
0	173,207
467,840	467,840
<u>165,000</u>	<u>165,000</u>
<u>783,992</u>	<u>1,562,327</u>
1,353,092	3,157,622
<u>247,000</u>	<u>11,249,658</u>
<u>1,600,092</u>	<u>14,407,280</u>
393,430	543,410
7,328,593	20,859,417
0	460,052
5,291,815	5,622,283
<u>(403,274)</u>	<u>14,382,551</u>
<u>12,610,564</u>	<u>41,867,713</u>
<u>\$ 14,994,648</u>	<u>\$ 57,837,320</u>

CITY OF MONTGOMERY, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2019***

Total Governmental Fund Balances \$ 41,867,713

***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 64,650,242

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 3,157,622

The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	4,412,987	
Deferred Inflows - Pension	(230,106)	
Net Pension Liability	(15,224,854)	
Deferred Outflows - OPEB	974,389	
Deferred Inflows - OPEB	(424,995)	
Net OPEB Liability	<u>(3,421,266)</u>	(13,913,845)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Special Obligation Bonds Payable	(17,245,000)	
Bond Premium	(406,370)	
Special Assessment Bonds Payable	(215,000)	
Compensated Absences Payable	(1,042,629)	
Deferred Loss on Debt Refunding	464,526	
Accrued Interest Payable	<u>(45,896)</u>	<u>(18,490,369)</u>

Net Position of Governmental Activities \$ 77,271,363

See accompanying notes to the basic financial statements



CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019**

	General	Fire Protection / EMS	Vintage Club Tax Increment	Capital Improvement
Revenues:				
Taxes	\$ 10,288,516	\$ 5,338,333	\$ 2,176,554	\$ 1,991,274
Intergovernmental Revenues	500,761	245,537	187,770	102,242
Charges for Services	116,646	225,581	0	0
Rental Revenue	73,916	0	0	0
Licenses, Permits and Fees	458,916	0	0	0
Investment Earnings	513,477	69,735	21,080	47,745
Special Assessments	0	0	0	0
Fines and Forfeitures	104,796	0	0	0
Donations	0	15,031	0	0
All Other Revenue	113,499	49,639	0	204
Total Revenues	12,170,527	5,943,856	2,385,404	2,141,465
Expenditures:				
Current:				
Public Safety	3,563,467	2,986,000	0	0
Parks and Recreation	1,104,344	0	0	0
Community Economic Development	632,324	0	0	0
Public Works	627,299	0	0	0
General Government	3,823,384	0	1,466,263	0
Capital Outlay	0	0	0	2,168,459
Debt Service:				
Principal Retirement	0	0	1,433,948	0
Interest and Fiscal Charges	0	0	739,137	0
Total Expenditures	9,750,818	2,986,000	3,639,348	2,168,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,419,709	2,957,856	(1,253,944)	(26,994)
Other Financing Sources (Uses):				
Sale of Capital Assets	20,199	1,171	0	0
Discount on Bond Issuance	0	0	(74,083)	0
Refunding Bonds Issued	0	0	11,550,000	0
Payment to Refunded Bond Escrow Agent	0	0	(11,245,578)	0
Transfers In	57,896	0	0	0
Transfers Out	(683,000)	(57,896)	0	0
Total Other Financing Sources (Uses)	(604,905)	(56,725)	230,339	0
Net Change in Fund Balances	1,814,804	2,901,131	(1,023,605)	(26,994)
Fund Balances at Beginning of Year - Restated	13,990,988	3,602,435	3,560,301	4,438,089
Fund Balances End of Year	\$ 15,805,792	\$ 6,503,566	\$ 2,536,696	\$ 4,411,095

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 230,999	\$ 20,025,676
872,575	1,908,885
446,708	788,935
0	73,916
35,535	494,451
172,058	824,095
191,640	191,640
10,752	115,548
252,000	267,031
67,905	231,247
<u>2,280,172</u>	<u>24,921,424</u>
189,052	6,738,519
242,397	1,346,741
42,232	674,556
1,143,093	1,770,392
150,483	5,440,130
1,885,424	4,053,883
169,867	1,603,815
262,013	1,001,150
<u>4,084,561</u>	<u>22,629,186</u>
(1,804,389)	2,292,238
22,654	44,024
0	(74,083)
0	11,550,000
0	(11,245,578)
1,683,000	1,740,896
(1,000,000)	(1,740,896)
<u>705,654</u>	<u>274,363</u>
(1,098,735)	2,566,601
13,709,299	39,301,112
<u>\$ 12,610,564</u>	<u>\$ 41,867,713</u>

CITY OF MONTGOMERY, 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, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ 2,566,601
<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 is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	3,005,869	
Depreciation Expense	<u>(1,710,690)</u>	1,295,179
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		
		(96,783)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,092,245	
OPEB	<u>17,546</u>	1,109,791
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(2,469,855)	
OPEB	<u>5,468,122</u>	2,998,267
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(48,011)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.		
Special Obligation Refunding Bond Issuance		(11,550,000)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Special Obligation Bond Principal Payment	460,000	
Special Assessment Bond Principal Payment	169,867	
Special Obligation Bonds Defeased	11,755,000	
Discount on Bond Issuance	74,083	
Deferred Loss on Bond Refunding	464,526	
Bond Premium/Discount Amortization	<u>26,692</u>	12,950,168
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		17,785
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		<u>(70,463)</u>
Change in Net Position of Governmental Activities		\$ 9,172,534

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, 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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 10,298,731	\$ 10,298,731	\$ 10,254,544	\$ (44,187)
Intergovernmental Revenue	503,730	503,730	499,660	(4,070)
Charges for Services	124,410	124,410	114,514	(9,896)
Rental Revenue	76,900	76,900	70,541	(6,359)
Licenses, Permits and Fees	482,600	482,600	460,004	(22,596)
Investment Earnings	137,000	137,000	210,398	73,398
Fines and Forfeitures	173,500	173,500	103,986	(69,514)
All Other Revenues	76,338	76,338	228,701	152,363
Total Revenues	<u>11,873,209</u>	<u>11,873,209</u>	<u>11,942,348</u>	<u>69,139</u>
Expenditures:				
Current:				
Public Safety	3,954,946	3,958,296	3,841,349	116,947
Parks and Recreation	1,245,961	1,245,961	1,180,381	65,580
Community Economic Development	941,858	941,858	716,487	225,371
Public Works	685,251	685,251	637,561	47,690
General Government	4,055,652	4,236,652	3,791,289	445,363
Total Expenditures	<u>10,883,668</u>	<u>11,068,018</u>	<u>10,167,067</u>	<u>900,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	989,541	805,191	1,775,281	970,090
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	20,199	15,199
Transfers In	3,712	3,712	3,712	0
Transfers Out	(757,700)	(757,700)	(683,000)	74,700
Total Other Financing Sources (Uses):	<u>(748,988)</u>	<u>(748,988)</u>	<u>(659,089)</u>	<u>89,899</u>
Net Change in Fund Balance	240,553	56,203	1,116,192	1,059,989
Fund Balance at Beginning of Year	13,460,322	13,460,322	13,460,322	0
Prior Year Encumbrances	124,794	124,794	124,794	0
Fund Balance at End of Year	<u>\$ 13,825,669</u>	<u>\$ 13,641,319</u>	<u>\$ 14,701,308</u>	<u>\$ 1,059,989</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Protection / EMS Fund
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,264,388	\$ 5,264,388	\$ 5,338,333	\$ 73,945
Intergovernmental Revenue	231,000	231,000	245,537	14,537
Charges for Services	151,200	151,200	225,581	74,381
Investment Earnings	24,500	24,500	68,705	44,205
Donations	200	200	15,031	14,831
All Other Revenues	1,455	1,455	49,639	48,184
Total Revenues	<u>5,672,743</u>	<u>5,672,743</u>	<u>5,942,826</u>	<u>270,083</u>
Expenditures:				
Current:				
Public Safety	3,359,414	3,359,414	3,041,100	318,314
Total Expenditures	<u>3,359,414</u>	<u>3,359,414</u>	<u>3,041,100</u>	<u>318,314</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	2,313,329	2,313,329	2,901,726	588,397
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,050	1,050
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>1,050</u>	<u>1,050</u>
Net Change in Fund Balance	2,313,329	2,313,329	2,902,776	589,447
Fund Balance at Beginning of Year	3,630,720	3,630,720	3,630,720	0
Prior Year Encumbrances	36,112	36,112	36,112	0
Fund Balance at End of Year	<u>\$ 5,980,161</u>	<u>\$ 5,980,161</u>	<u>\$ 6,569,608</u>	<u>\$ 589,447</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2019**

	Private Purpose	
	Trust	Custodial
Assets:		
Cash and Cash Equivalents	\$ 37,154	\$ 0
Restricted Assets:		
Cash and Cash Equivalents with Fiscal Agent	0	6,878
Total Assets	<u>37,154</u>	<u>6,878</u>
Liabilities:		
Intergovernmental Payable	0	4,126
Due to Others	0	2,752
Total Liabilities	<u>0</u>	<u>6,878</u>
Net Position:		
Restricted For:		
Historical Site Preservation	37,154	0
Unrestricted	0	0
Total Net Position	<u>\$ 37,154</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2019**

	Private Purpose Trust	Custodial
Additions:		
Fines and Forfeiture Collections for other Governments	\$ 0	\$ 40,397
Fee Collections for other Governments	0	5,386
Private Donations	1,087	0
Total Additions	<u>1,087</u>	<u>45,783</u>
Deductions:		
Distribution of Fines and Forfeitures to other Governments	0	40,397
Distribution of Fees to other Governments	0	5,386
Administrative Expenses	600	0
Total Deductions	<u>600</u>	<u>45,783</u>
Change in Net Position	487	0
Net Position at Beginning of Year	36,667	0
Net Position End of Year	<u>\$ 37,154</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Montgomery, Ohio (the City) is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter provides for a Council/Manager form of government. The community was established in 1902.

The financial statements are presented as of December 31, 2019 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity includes all component units, funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, emergency medical services, parks and recreation, planning, zoning, street maintenance, refuse collection and other governmental services.

Blended Component Unit - The Community Improvement Corporation of the City of Montgomery (the "CIC") was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate not-for-profit corporation, the CIC's purpose is to provide economic development loans. The balances and transactions of the CIC have been reported as a special revenue fund of the primary government because the governing board of the corporation is composed of those persons who are serving as members of the City Council of the City of Montgomery, the City has a history of providing financial support to the CIC, and any long term debt of the CIC would be paid by the City. Separately issued financial statements for the CIC can be obtained by contacting the City of Montgomery Finance Department, 10101 Montgomery Rd, Montgomery, Ohio 45242, or at the City's website at <http://montgomeryohio.org>.

B. Basis of Presentation - Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types:

Governmental Funds - Those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio, and the limitations of the City Charter.

Fire Protection/EMS Fund - This fund is used to account for property taxes and charges for emergency medical services provided which are used to fund Fire Department operations.

Vintage Club Tax Increment Fund - To account for service payments (in lieu of taxes) as a result of the Vintage Club tax increment financing agreement. These monies will pay the debt service on money borrowed to complete improvements around the project site.

Capital Improvement Fund - To account for resources used for the major capital construction and/or improvement projects undertaken by the City.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only trust fund is a private purpose trust to account for monies used for the upkeep of historical sites that are not owned by the City. The City's custodial funds account for funds flowing through the Mayor's Court, and building permit surcharges.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

Interfund receivables and payables between governmental activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities. Interfund services provided and used are not eliminated through the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenue, is recorded as revenue when received in cash because it is generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2019, but which are not intended to finance 2019 operations, and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government wide statements and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgetary Process

The annual budgetary process is prescribed by Charter and by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than custodial funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The Montgomery Community Improvement Corporation Fund (special revenue fund) was not budgeted and only exists on a GAAP basis. The legal level of budgetary control is established at the personnel or non-personnel cost level within each department or fund. Budgetary control is maintained by not permitting expenditures to exceed appropriations at those levels without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets.

1. Tax Budget

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources, which states that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2019.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the object level, and may only be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of control. During the year, several supplemental appropriations were necessary to budget contingency funds and intergovernmental grants. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis)" for the General Fund and Major Special Revenue Funds are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. In addition, under the budgetary basis, encumbrances are recognized as expenditures and note proceeds are recognized as an other financing source. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund and Major Special Revenue Fund:

	Net Change in Fund Balance	
	General Fund	Fire Protection / EMS Fund
GAAP Basis (as reported)	\$1,814,804	\$2,901,131
Increase (Decrease):		
Accrued Revenues at December 31, 2019 received during 2020	(959,570)	(4,470)
Accrued Revenues at December 31, 2018 received during 2019	618,663	3,319
Accrued Expenditures at December 31, 2019 paid during 2020	546,556	113,607
Accrued Expenditures at December 31, 2018 paid during 2019	(745,976)	(103,886)
2018 Prepays for 2019	147,429	36,170
2019 Prepays for 2020	(116,357)	(32,451)
Outstanding Encumbrances	(113,889)	(10,644)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(75,468)	0
Budget Basis	<u>\$1,116,192</u>	<u>\$2,902,776</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2019, cash and cash equivalents included amounts in demand deposits, certificates of deposit with original maturity dates of three months or less, and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The City pools its cash for investment and resource management purposes. Each fund's equity in cash and cash equivalents represents the balance on hand as if each had maintained its own cash and cash investment account. See Note 4, "Cash and Cash Equivalents."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 4, "Cash and Cash Equivalents."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$3,000 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those that generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1985 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation on newly acquired/constructed streets begins in the year following acquisition. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Buildings and Improvements	10 - 40
Machinery, Equipment, Furniture and Fixtures	5 - 15
Infrastructure	5 - 100

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Debt Service Funds (Special Assessment Bond Retirement Fund, Reserve of Montgomery Bond Retirement Fund)
Special Obligation Bonds	Debt Service Funds (Vintage Club Tax Increment Financing Fund)
Compensated Absences/Net Pension Liability/Net OPEB Liability	General Fund Special Revenue Funds (Fire Protection/EMS Fund, COPS Grant Fund, Street Construction, Maintenance and Repair Fund)

K. Compensated Absences

All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation must be used during the period in which it is earned unless the City Manager allows the balance to be carried over to the following year. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance. All full-time City employees earn sick leave at the rate of 12 days per year of active service. Upon retirement from the City, an employee with 10-19 years of service to the City shall receive one day of monetary compensation for every three days of unused sick leave. An employee who retires with twenty or more years of service to the City shall receive one day of monetary compensation for every two days of unused sick leave. The monetary compensation shall be at the hourly rate of compensation of the employee at the time of retirement.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences for payments that come due each period upon the occurrence of the relevant event is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Pension/OPEB

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

N. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

The City generally eliminates the effect of interfund activity in the government-wide financial statements to remove indirect expenses, except where the elimination would distort the costs and program revenues reported for the various functions. Interfund services provided and used are not eliminated through the process of consolidation.

O. Intergovernmental Revenues

In governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables," while long-term interfund loans are classified as "Interfund Loans Receivable/Payable."

Q. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

Targeted/Minimum Fund Balance – The City has established a targeted fund balance policy of six to twelve months of operating expenditures and transfers for the General Fund, which is reported in unassigned fund balance.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Restricted Assets

A bond reserve account and principal and interest debt service account are classified as restricted assets because these funds are being held for specified purposes.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide statement of net position. See Notes 10 and 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. See Notes 10 and 11.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

The implementation of GASB 84 had the following effect on net position as reported December 31, 2018:

	Governmental Activities	General Fund	Other Governmental Funds	Total Governmental Funds
Net Position/Fund Balance December 31, 2018	\$67,953,791	\$13,986,104	\$13,569,145	\$39,156,074
Adjustments:				
GASB 84 Fund Reclassification	145,038	4,884	140,154	145,038
Restated Net Position/ Fund Balance December 31, 2018	<u>\$68,098,829</u>	<u>\$13,990,988</u>	<u>\$13,709,299</u>	<u>\$39,301,112</u>

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	Fire Protection/		Vintage Club	Capital	Other	Total
	General	EMS	Tax Increment	Improvement	Governmental	Governmental
					Funds	Funds
Nonspendable:						
Prepaid Items	\$116,357	\$32,451	\$0	\$0	\$14,697	\$163,505
Permanent Fund Corpus	0	0	0	0	378,733	378,733
Unclaimed Funds	1,172	0	0	0	0	1,172
Total Nonspendable	117,529	32,451	0	0	393,430	543,410
Restricted:						
Fire Protection/EMS	0	6,471,115	0	0	0	6,471,115
Parks and Recreation	0	0	0	0	47,210	47,210
Law Enforcement and Education	0	0	0	0	354,740	354,740
Court Computerization	0	0	0	0	50,255	50,255
Environmental Impact Mitigation	0	0	0	0	215,438	215,438
Street Improvements	0	0	0	0	1,333,653	1,333,653
Municipal Pool Operations	0	0	0	0	363,165	363,165
Cemetery Maintenance	0	0	0	0	402,472	402,472
Economic Development	0	0	0	0	37,715	37,715
Contractor Deposits	0	0	0	0	137,303	137,303
Debt Service Payments	111,918	0	2,536,696	0	1,364,007	4,012,621
Capital Improvements	0	0	0	4,411,095	2,756,572	7,167,667
Arts and Amenities	0	0	0	0	266,063	266,063
Total Restricted	111,918	6,471,115	2,536,696	4,411,095	7,328,593	20,859,417
Committed:						
Compensated Absences	460,052	0	0	0	0	460,052
Total Committed	460,052	0	0	0	0	460,052
Assigned:						
Supplies and Services	106,846	0	0	0	0	106,846
Budget Resource	223,622	0	0	0	0	223,622
Capital Improvements	0	0	0	0	5,291,815	5,291,815
Total Assigned	330,468	0	0	0	5,291,815	5,622,283
Unassigned (Deficits):	14,785,825	0	0	0	(403,274)	14,382,551
Total Fund Balances	\$15,805,792	\$6,503,566	\$2,536,696	\$4,411,095	\$12,610,564	\$41,867,713

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Finance Director to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the City into three categories.

Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

- * No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- * The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City's deposits was \$22,094,398 and the bank balance was \$22,244,586. Federal depository insurance covered \$6,030,296 of the bank balance and \$16,214,290 was collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2019 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio ⁴	\$1,719	AAAm ¹	NA	0.01%	\$1,719	\$0	\$0
Marketable CD's	5,986,965	AAA ³	Level 2	30.74%	1,234,684	2,752,805	1,999,476
US Money Market ⁴	3,160,817	AA+ ¹ /Aaa ²	NA	16.23%	3,160,817	0	0
FHLMC	3,998,340	AA+ ¹ /Aaa ²	Level 2	20.53%	1,000,830	0	2,997,510
FFCB	3,997,640	AA+ ¹ /Aaa ²	Level 2	20.52%	1,999,130	1,998,510	0
FNMA	2,331,627	AAA ¹ /Aaa ²	Level 2	11.97%	2,331,627	0	0
Total Investments	<u>\$19,477,108</u>			<u>100.00%</u>	<u>\$9,728,807</u>	<u>\$4,751,315</u>	<u>\$4,996,986</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

⁴ Reported at amortized cost

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date, the City has no investment policy beyond Ohio Revised Code relating to interest rate risk.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$21,076,056	\$20,495,450
Certificates of Deposit		
(with maturities of more than 3 mont	1,020,061	(1,020,061)
STAR Ohio	(1,719)	1,719
Per GASB Statement No. 3	<u>\$22,094,398</u>	<u>\$19,477,108</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2019 were levied after October 1, 2018 on assessed values as of January 1, 2018, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2017. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Montgomery. The County Auditor remits in February and August of each year the City's portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2019 was \$16.05 per \$1,000 of assessed value. The assessed value upon which the 2019 tax collections were based was \$585,608,430. This amount constitutes \$575,770,810 in real property assessed value and \$9,837,620 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 1.605% (16.05 mills) of assessed value.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 5 – TAXES (Continued)

B. Income Tax

The City levies a tax of 1% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are received by the General Fund and Capital Improvement Fund.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2019 consisted of taxes, accounts receivable, special assessments, interfund receivables, interest receivables, and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred inflows of resources.

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CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 7 - INTERFUND BALANCES

Individual interfund balances at December 31, 2019 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Capital Improvement Fund	\$467,840	\$0
Other Governmental Funds	0	467,840
Totals	<u>\$467,840</u>	<u>467,840</u>

The interfund loans receivable/payable on the Governmental Balance Sheet include loans to the Triangle Tax Increment Fund to assist with cash flow issues.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2019:

Fund	Transfer In	Transfer Out
General Fund	\$57,896	\$683,000
Fire Protection/EMS Fund	0	57,896
Other Governmental Funds	1,683,000	1,000,000
Totals	<u>\$1,740,896</u>	<u>1,740,896</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

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CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 9 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2019:

<i>Historical Cost:</i>				
Class	December 31, 2018	Additions	Deletions	December 31, 2019
<i>Capital assets not being depreciated:</i>				
Land	\$23,664,554	\$19,950	\$0	\$23,684,504
Construction in Progress	2,552,007	1,012,121	0	3,564,128
Subtotal	26,216,561	1,032,071	0	27,248,632
<i>Capital assets being depreciated:</i>				
Buildings	16,678,277	40,669	(16,356)	16,702,590
Improvements Other than Buildings	8,307,920	0	(2,373,090)	5,934,830
Infrastructure	31,586,299	1,380,370	(102,421)	32,864,248
Machinery and Equipment	6,338,941	552,759	(3,680,659)	3,211,041
Subtotal	62,911,437	1,973,798	(6,172,526)	58,712,709
Total Cost	\$89,127,998	\$3,005,869	(\$6,172,526)	\$85,961,341
<i>Accumulated Depreciation:</i>				
Class	December 31, 2018	Additions	Deletions	December 31, 2019
Buildings	(\$2,956,915)	(\$427,597)	\$7,416	(\$3,377,096)
Improvements Other than Buildings	(6,369,473)	(151,395)	2,327,909	(4,192,959)
Infrastructure	(11,558,672)	(780,084)	74,697	(12,264,059)
Machinery and Equipment	(4,791,092)	(351,614)	3,665,721	(1,476,985)
Total Depreciation	(\$25,676,152)	(\$1,710,690) *	\$6,075,743	(\$21,311,099)
<i>Net Value:</i>	\$63,451,846			\$64,650,242

* Depreciation was charged to governmental functions as follows:

Public Safety	\$263,729
Parks and Recreation	100,819
Community Economic Development	19,995
Public Works	1,296,691
General Government	29,456
Total Depreciation Expense	\$1,710,690

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	<u>State and Local</u>
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$363,171 for 2019. Of this amount, \$31,853 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$729,074 for 2019. Of this amount, \$66,392 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,933,395	\$10,291,459	\$15,224,854
Proportion of the Net Pension Liability-2019	0.018013%	0.126080%	
Proportion of the Net Pension Liability-2018	<u>0.018644%</u>	<u>0.123872%</u>	
Percentage Change	<u>(0.000631%)</u>	<u>0.002208%</u>	
Pension Expense	\$1,035,617	\$1,434,238	\$2,469,855

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$429,464	\$272,841	\$702,305
Differences between expected and actual experience	229	422,834	423,063
Change in proportionate share	2,168	255,707	257,875
Net difference between projected and actual earnings on pension plan investments	669,597	1,267,902	1,937,499
City contributions subsequent to the measurement date	<u>363,171</u>	<u>729,074</u>	<u>1,092,245</u>
Total Deferred Outflows of Resources	<u>\$1,464,629</u>	<u>\$2,948,358</u>	<u>\$4,412,987</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$64,776	\$9,613	\$74,389
Change in proportionate share	<u>110,965</u>	<u>44,752</u>	<u>155,717</u>
Total Deferred Inflows of Resources	<u>\$175,741</u>	<u>\$54,365</u>	<u>\$230,106</u>

\$1,092,245 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$370,266	\$674,038	\$1,044,304
2021	181,916	396,785	578,701
2022	62,118	438,048	500,166
2023	311,417	615,695	927,112
2024	0	40,353	40,353
2025	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$925,717</u>	<u>\$2,164,919</u>	<u>\$3,090,636</u>

Actuarial Assumptions - OPERS

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 and December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2018</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2017</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$7,288,060	\$4,933,395	\$2,976,648

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, compared with January 1, 2017, are presented below.

	January 1, 2018	January 1, 2017
Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2018 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2018 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2018, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2017 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$13,527,414	\$10,291,459	\$7,587,352

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$17,546 for 2019. Of this amount, \$1,595 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$2,273,113	\$1,148,153	\$3,421,266
Proportion of the Net OPEB Liability-2019	0.017435%	0.126080%	
Proportion of the Net OPEB Liability-2018	<u>0.018021%</u>	<u>0.123872%</u>	
Percentage Change	<u>(0.000586%)</u>	<u>0.002208%</u>	
OPEB Expense	\$159,750	(\$5,627,872)	(\$5,468,122)

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$73,288	\$595,144	\$668,432
Differences between expected and actual experience	770	0	770
Change in proportionate share	0	144,565	144,565
Net difference between projected and actual earnings on OPEB plan investments	104,208	38,868	143,076
City contributions subsequent to the measurement date	0	17,546	17,546
Total Deferred Outflows of Resources	<u>\$178,266</u>	<u>\$796,123</u>	<u>\$974,389</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$317,862	\$317,862
Differences between expected and actual experience	6,169	30,762	36,931
Change in proportionate share	70,202	0	70,202
Total Deferred Inflows of Resources	<u>\$76,371</u>	<u>\$348,624</u>	<u>\$424,995</u>

\$17,546 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$35,233	\$75,110	\$110,343
2021	(2,358)	75,110	72,752
2022	16,527	75,113	91,640
2023	52,493	86,866	139,359
2024	0	68,333	68,333
2025	0	51,594	51,594
2025	0	(2,173)	(2,173)
Total	<u>\$101,895</u>	<u>\$429,953</u>	<u>\$531,848</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.50 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$2,908,158	\$2,273,113	\$1,768,083

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$2,184,954	\$2,273,113	\$2,374,647

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	4.66 percent	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$1,398,762	\$1,148,153	\$937,786

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS

Detail of the changes in the debt and other long-term obligations of the City for the year ended December 31, 2019 is as follows:

		Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019	Amount Due Within One Year
Governmental Activities Debt:						
Special Obligation TIF Bonds:						
0.75-4.80% Vintage Club Improvements	2013	\$12,215,000	\$0	(\$12,215,000)	\$0	\$0
1.97-3.25% Vintage Club Improvements Refunding	2019	0	11,550,000	0	11,550,000	530,000
3.38-5.00% Vintage Club Improvements Phase II	2018	5,695,000	0	0	5,695,000	30,000
		<u>17,910,000</u>	<u>11,550,000</u>	<u>(12,215,000)</u>	<u>17,245,000</u>	<u>560,000</u>
Bond Premium (Discount)		507,145	(74,083)	(26,692)	406,370	0
Total Special Obligation TIF Bonds		<u>18,417,145</u>	<u>11,475,917</u>	<u>(12,241,692)</u>	<u>17,651,370</u>	<u>560,000</u>
Special Assessment Bonds						
With Governmental Commitment:						
6.00% Tanager Woods	1999	4,867	0	(4,867)	0	0
2.00-3.80% Public Improvement Refunding	2003	380,000	0	(165,000)	215,000	170,000
Total Special Assessment Bonds		<u>384,867</u>	<u>0</u>	<u>(169,867)</u>	<u>215,000</u>	<u>170,000</u>
With Governmental Commitment						
		<u>384,867</u>	<u>0</u>	<u>(169,867)</u>	<u>215,000</u>	<u>170,000</u>
Governmental Activities Other Long-Term Obligations:						
Compensated Absences		974,203	527,439	(459,013)	1,042,629	489,358
Total Governmental Activities		<u>\$19,776,215</u>	<u>\$12,003,356</u>	<u>(\$12,870,572)</u>	<u>\$18,908,999</u>	<u>\$1,219,358</u>

The principal amount of the City's special assessment debt outstanding at December 31, 2019 of \$215,000 is general obligation debt (backed by the full faith and credit of the City) that is to be retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$179,378 in the Special Assessment Bond Retirement Fund and the balance of \$84,394 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2019 are restricted for the retirement of outstanding special assessment bonds. The Tanager Woods special assessment bond payable is a self-funded debt obligation.

In December 2019 the City defeased \$11,755,000 of Vintage Club Improvement Bonds through the issuance of \$11,550,000 Vintage Club Improvement Refunding Bonds, as well as additional cash on hand. The proceeds of the refunding bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$11,755,000 at December 31, 2019 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

The City reduced its aggregate debt service payments over the life of the refunded bonds by \$1,360,633 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$823,005.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2019 are as follows:

Years	Special Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2020	\$560,000	\$550,475	\$170,000	\$8,170
2021	570,000	546,724	45,000	1,710
2022	580,000	534,418	0	0
2023	650,000	521,720	0	0
2024	750,000	505,746	0	0
2025-2029	4,695,000	2,127,894	0	0
2030-2034	5,595,000	1,279,090	0	0
2035-2037	3,845,000	285,483	0	0
Totals	<u>\$17,245,000</u>	<u>\$6,351,550</u>	<u>\$215,000</u>	<u>\$9,880</u>

NOTE 13 – COMPENSATED ABSENCES

The costs of vacation time, compensatory time in lieu of overtime, and sick leave benefits are recorded as they are earned. Employees earn sick leave up to a maximum of 960 hours and vacation leave at varying rates based upon length of service, with a maximum accumulation of the amount earned over a two-year period. Upon retirement and, in certain instances, termination, an individual will be compensated for his/her accumulated sick leave at a maximum rate of 50%. If a full-time employee has accumulated 864 hours or more of unused sick leave, the employee may redeem sick leave hours at the employee's current rate of pay at the rate of one hour of compensation for each three hours of sick leave redeemed.

As of December 31, 2019, the liability for unpaid compensated absences was \$1,042,629 for all funds of the City, a net increase of \$68,426 from the amount at December 31, 2018 of \$974,203.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 14 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2019, the pool has twenty one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty one member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

The individual MVRMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

The following is a summary of insurance coverages at year end:

Pollution Liability	\$1,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and aggregate

The member deductible per occurrence for all types of claims is \$2,500.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 3085 Woodman Drive, Suite 200 Kettering, Ohio 45420.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 14 – RISK MANAGEMENT (Continued)

Workers' Compensation claims are covered under the State of Ohio Bureau of Workers' Compensation. The City participates in the Ohio Municipal League's Workers' Compensation Retrospective Rating Program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on the group's accident history and administrative costs. The City also pays unemployment claims to the State of Ohio as incurred.

Settled claims have not exceeded coverage in any of the past three years. There have been no significant reductions in insurance from the prior year.

NOTE 15 – ACCOUNTABILITY

The fund deficit at December 31, 2019 of \$403,274 in the Triangle Tax Increment Fund was the result of recognizing interfund loans payable on the modified accrual basis, which result in expenditures greater than those on the cash basis. A deficit does not exist on a cash basis. The General Fund provides transfers, upon City Council's approval, when cash is required, not when accruals occur.

NOTE 16 – CONTINGENCIES

The City is a party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the City.

NOTE 17 – SIGNIFICANT COMMITMENTS

At December 31, 2019 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$113,889
Fire Protection/EMS Fund	10,644
Capital Improvement Fund	500,592
Other Governmental Funds	1,739,295
Total Governmental Funds	<u>\$2,364,420</u>

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

NOTE 17 – SIGNIFICANT COMMITMENTS (Continued)

The City had the following contractual commitments at December 31, 2019:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Vintage Club Construction	\$1,153,792	2020
Pfeiffer Rd Roundabout Design	128,361	2020
GRA Roundabout Design	112,980	2020
Pool Repairs	81,858	2020
Supplies	32,582	2020
Sidewalk Replacement	30,041	2020
GRA Design	25,536	2020
Building Repair/Maintenance	22,819	2020
Fleet Study	20,000	2020
Paving	16,862	2020
Miscellaneous Maintenance and Repair	11,500	2020
Vehicle	10,589	2020
Park Equipment/Maintenance	5,250	2020
Greenhouse	623	2020
	<u>\$1,652,793</u>	

NOTE 18 – SUBSEQUENT EVENTS

On July 1, 2020 City Council approved the issuance of up to \$23 million of Special Obligation Revenue Bonds to be used for the construction of two parking garages as part of the Montgomery Quarter Project. The bonds are to be repaid using payments in lieu of taxes generated from private development.

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the government's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the government for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONTGOMERY, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Six Years***

Ohio Public Employees Retirement System

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.019235%	0.019235%	0.018781%
City's proportionate share of the net pension liability (asset)	\$2,267,556	\$2,319,956	\$3,253,093
City's covered payroll	\$2,484,715	\$2,378,800	\$2,409,608
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	91.26%	97.53%	135.01%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.120189%	0.120189%	0.121738%
City's proportionate share of the net pension liability (asset)	\$5,853,615	\$6,226,327	\$7,831,504
City's covered payroll	\$2,416,973	\$2,468,266	\$2,599,662
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	242.19%	252.26%	301.25%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>
0.019403%	0.018644%	0.018013%
\$4,406,031	\$2,924,875	\$4,933,395
\$2,508,225	\$2,463,823	\$2,432,964
175.66%	118.71%	202.77%
77.25%	84.66%	74.70%

<u>2017</u>	<u>2018</u>	<u>2019</u>
0.122559%	0.123872%	0.126080%
\$7,762,786	\$7,602,584	\$10,291,459
\$2,644,822	\$2,796,625	\$2,946,123
293.51%	271.85%	349.32%
68.36%	70.91%	63.07%

CITY OF MONTGOMERY, OHIO

***Schedule of City Pension Contributions
Last Seven Years***

Ohio Public Employees Retirement System

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$323,013	\$285,456	\$289,153
Contributions in relation to the contractually required contribution	<u>323,013</u>	<u>285,456</u>	<u>289,153</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$2,484,715	\$2,378,800	\$2,409,608
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$412,819	\$502,539	\$522,272
Contributions in relation to the contractually required contribution	<u>412,819</u>	<u>502,539</u>	<u>522,272</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$2,416,973	\$2,468,266	\$2,599,662
Contributions as a percentage of covered payroll	17.08%	20.36%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$300,987	\$320,297	\$340,615	\$363,171
<u>300,987</u>	<u>320,297</u>	<u>340,615</u>	<u>363,171</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,508,225	\$2,463,823	\$2,432,964	\$2,594,079
12.00%	13.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$541,043	\$572,262	\$602,975	\$729,074
<u>541,043</u>	<u>572,262</u>	<u>602,975</u>	<u>729,074</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,644,822	\$2,796,625	\$2,946,123	\$3,509,128
20.46%	20.46%	20.47%	20.78%



CITY OF MONTGOMERY, OHIO

**Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Three Years**

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.018793%	0.018021%	0.017435%
City's proportionate share of the net OPEB liability (asset)	\$1,898,168	\$1,956,925	\$2,273,113
City's covered payroll	\$2,508,225	\$2,463,823	\$2,432,964
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.68%	79.43%	93.43%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.122559%	0.123872%	0.126080%
City's proportionate share of the net OPEB liability (asset)	\$5,817,617	\$7,018,415	\$1,148,153
City's covered payroll	\$2,644,822	\$2,796,625	\$2,946,123
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	219.96%	250.96%	38.97%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2016 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

**Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Seven Years**

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$24,847	\$47,576	\$48,192
Contributions in relation to the contractually required contribution	24,847	47,576	48,192
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,484,715	\$2,378,800	\$2,409,608
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$86,355	\$12,341	\$12,998
Contributions in relation to the contractually required contribution	86,355	12,341	12,998
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,416,973	\$2,468,266	\$2,599,662
Contributions as a percentage of covered payroll	3.57%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$50,165	\$24,638	\$0	\$0
<u>50,165</u>	<u>24,638</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,508,225	\$2,463,823	\$2,432,964	\$2,594,079
2.00%	1.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$13,224	\$13,983	\$14,731	\$17,546
<u>13,224</u>	<u>13,983</u>	<u>14,731</u>	<u>17,546</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,644,822	\$2,796,625	\$2,946,123	\$3,509,128
0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2019***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2019***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2019.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

Changes in assumptions:

2018: There were no changes in assumptions.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY
FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Compensated Absences Fund

To account for transfers in to be used for payout of accumulated sick and vacation time upon resignation or retirement. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Memorial Fund

To account for revenue that is donated for special purchases, most notably trees and benches.

Parks and Recreation Fundraising Fund

To account for monies received from gifts and donations given to the City to support projects that will enhance the city's parks and gateways.

Law Enforcement Fund

To account for revenues received by the Police Department for contraband per state statute.

Drug Law Enforcement Fund

To account for revenues received from mandatory fines for drug offenses.

DUI Enforcement and Education Fund

To account for resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

Mayor's Court Technology Fund

To account for the assessment fee charged to each issued citation to be used only for the purchase and maintenance of computerizing the Mayor's Court operations.

Community Oriented Policing Services (COPS) Grant Fund

To account for federal grant monies designated for the cost of additional police officers.

Law Enforcement Assistance Fund

To account for reimbursements received from the State of Ohio for continuing professional training programs for police officers.

Environmental Impact Tax Fund

To account for revenue that is generated from fees attached to the new development in the City which is matched with City funds.

(Continued)

Special Revenue Funds

Street Construction, Maintenance and Repair Fund

To account for revenues distributed by the State from the motor vehicle registration and gasoline tax. Expenditures may only be used for City street construction, maintenance and repair.

State Highway Fund

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

Permissive Motor Vehicle License Fund

To account for the permissive auto license taxes levied for street construction, maintenance and repairs.

Municipal Pool Fund

To account for the operations of the municipal pool run by the City.

Cemetery Fund

To account for revenues generated from operating the City owned Hopewell Cemetery. The revenues are used to maintain the property.

Montgomery Community Improvement Corporation (CIC) Fund

To account for the activities of the Montgomery Community Improvement Corporation (CIC). The CIC was created to provide economic development loans. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Contractor Deposits Fund

To account for bond payments made by contractors working within the City to ensure their project is completed within City requirements.

Unclaimed Monies Fund

To account for funds which rightfully belong to the payor and are refunded when the payor provides proof of claim for the funds within the period specified by law. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

Special Assessment Bond Retirement Fund

To account for the accumulation of special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of principal and interest on the City's special assessment bonds.

Debt Service Funds

General Obligation Bond Retirement Fund

To account for payments of principal and interest on the City's general obligation bonds. Revenues for this purpose include income taxes and investment income.

Vintage Club North Tax Increment Fund

To account for service payments (in lieu of taxes) as a result of the Vintage Club tax increment financing agreement. These monies will pay the debt service on money borrowed to complete improvements around the project site.

Reserve of Montgomery Bond Retirement Fund

This fund is used to account for accumulation of resources set up to fund the community improvement district that is part of the Great Traditions project and will be paid back as part of a thirty year special assessment.

Gateway Redevelopment Area (GRA) Tax Increment Fund

To account for service payments (in lieu of taxes) as a result of the Gateway Redevelopment Area tax increment financing agreement. These monies will pay the debt service on money borrowed to complete improvements around the project site. (The Balance Sheet is not presented because there are no assets or liabilities at year end. The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there were no revenues or expenditures.)

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Downtown Improvement Fund

To account for monies set aside for improvements in the downtown/heritage district of the City.

Triangle Tax Increment Fund

To account for revenues and expenditures as part of the Tax Increment Financing for redevelopment of the Property at 9356 Montgomery Road also known as the Triangle.

Gateway Redevelopment Area (GRA) Roundabout Fund

To account for debt proceeds and other sources to be used for traffic pattern improvements and to provide a pedestrian friendly environment.

Urban Redevelopment Fund

To account for the lease payments received from the Village Corner and Montgomery Commons projects in the downtown area.

Capital Projects Funds

Vintage Club Capital Improvement Fund

To account for infrastructure improvements at the Vintage Club housing development to be financed by tax increment financing bonds.

Gateway Redevelopment Area (GRA) Construction Fund

To account for debt proceeds and other sources to be used for development and construction costs of the Montgomery Quarter. (The Balance Sheet is not presented because there are no assets or liabilities at year end. The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there were no revenues or expenditures.)

Permanent Fund

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

Arts and Amenities Fund

To account for donations and other income to be used for the Arts Commission and the Sister Cities Commission.



CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 2,849,502	\$ 1,138,462	\$ 3,470,717	\$ 644,796	\$ 8,103,477
Investments	0	0	4,730,405	0	4,730,405
Receivables:					
Taxes	27,002	0	247,000	0	274,002
Accounts	150	0	0	0	150
Intergovernmental	364,693	0	0	0	364,693
Interest	0	0	7,975	0	7,975
Special Assessments	0	1,108,704	0	0	1,108,704
Prepaid Items	11,197	0	0	3,500	14,697
Restricted Assets:					
Investments	0	390,545	0	0	390,545
Total Assets	\$ 3,252,544	\$ 2,637,711	\$ 8,456,097	\$ 648,296	\$ 14,994,648
Liabilities:					
Accounts Payable	\$ 28,419	\$ 0	\$ 91,064	\$ 0	\$ 119,483
Accrued Wages and Benefits Payable	31,669	0	0	0	31,669
Interfund Loans Payable	0	0	467,840	0	467,840
Due to Fiscal Agent	0	165,000	0	0	165,000
Total Liabilities	60,088	165,000	558,904	0	783,992
Deferred Inflows of Resources:					
Unavailable Amounts	239,308	1,108,704	5,080	0	1,353,092
Property Tax Levy for Next Fiscal Year	0	0	247,000	0	247,000
Total Deferred Inflows of Resources	239,308	1,108,704	252,080	0	1,600,092
Fund Balances:					
Nonspendable	11,197	0	0	382,233	393,430
Restricted	2,941,951	1,364,007	2,756,572	266,063	7,328,593
Assigned	0	0	5,291,815	0	5,291,815
Unassigned	0	0	(403,274)	0	(403,274)
Total Fund Balances	2,953,148	1,364,007	7,645,113	648,296	12,610,564
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,252,544	\$ 2,637,711	\$ 8,456,097	\$ 648,296	\$ 14,994,648

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 55,795	\$ 0	\$ 175,204	\$ 0	\$ 230,999
Intergovernmental Revenues	572,575	0	300,000	0	872,575
Charges for Services	420,996	0	0	25,712	446,708
Licenses, Permits and Fees	35,535	0	0	0	35,535
Investment Earnings	14,034	35,329	115,190	7,505	172,058
Special Assessments	0	191,640	0	0	191,640
Fines and Forfeitures	10,752	0	0	0	10,752
Donations	252,000	0	0	0	252,000
All Other Revenue	61,255	0	6,650	0	67,905
Total Revenues	1,422,942	226,969	597,044	33,217	2,280,172
Expenditures:					
Current:					
Public Safety	189,052	0	0	0	189,052
Parks and Recreation	218,253	0	0	24,144	242,397
Community Economic Development	42,232	0	0	0	42,232
Public Works	1,143,093	0	0	0	1,143,093
General Government	46,274	5,940	98,269	0	150,483
Capital Outlay	0	0	1,885,424	0	1,885,424
Debt Service:					
Principal Retirement	0	169,867	0	0	169,867
Interest and Fiscal Charges	0	260,813	1,200	0	262,013
Total Expenditures	1,638,904	436,620	1,984,893	24,144	4,084,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(215,962)	(209,651)	(1,387,849)	9,073	(1,804,389)
Other Financing Sources (Uses):					
Sale of Capital Assets	22,654	0	0	0	22,654
Transfers In	683,000	0	1,000,000	0	1,683,000
Transfers Out	0	0	(1,000,000)	0	(1,000,000)
Total Other Financing Sources (Uses)	705,654	0	0	0	705,654
Net Change in Fund Balances	489,692	(209,651)	(1,387,849)	9,073	(1,098,735)
Fund Balances at Beginning of Year - Restated	2,463,456	1,573,658	9,032,962	639,223	13,709,299
Fund Balances End of Year	\$ 2,953,148	\$ 1,364,007	\$ 7,645,113	\$ 648,296	\$ 12,610,564

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019**

	<u>Memorial</u>	<u>Parks and Recreation Fundraising</u>	<u>Law Enforcement</u>	<u>Drug Law Enforcement</u>
Assets:				
Cash and Cash Equivalents	\$ 36,875	\$ 10,335	\$ 282,549	\$ 5,289
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 36,875</u>	<u>\$ 10,335</u>	<u>\$ 282,549</u>	<u>\$ 5,289</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	36,875	10,335	282,549	5,289
Total Fund Balances	<u>36,875</u>	<u>10,335</u>	<u>282,549</u>	<u>5,289</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,875</u>	<u>\$ 10,335</u>	<u>\$ 282,549</u>	<u>\$ 5,289</u>

CITY OF MONTGOMERY, OHIO

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
\$ 15,270	\$ 50,105	\$ 4,920	\$ 15,520	\$ 215,438	\$ 996,642
0	0	0	0	0	0
0	150	0	0	0	0
0	0	32,732	0	0	294,197
0	937	1,873	0	0	8,387
<u>\$ 15,270</u>	<u>\$ 51,192</u>	<u>\$ 39,525</u>	<u>\$ 15,520</u>	<u>\$ 215,438</u>	<u>\$ 1,299,226</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,121
0	0	1,540	0	0	30,129
0	0	1,540	0	0	53,250
0	0	0	0	0	196,131
0	0	0	0	0	196,131
0	937	1,873	0	0	8,387
15,270	50,255	36,112	15,520	215,438	1,041,458
15,270	51,192	37,985	15,520	215,438	1,049,845
<u>\$ 15,270</u>	<u>\$ 51,192</u>	<u>\$ 39,525</u>	<u>\$ 15,520</u>	<u>\$ 215,438</u>	<u>\$ 1,299,226</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019**

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 88,471	\$ 184,183	\$ 363,165	\$ 402,722
Receivables:				
Taxes	0	27,002	0	0
Accounts	0	0	0	0
Intergovernmental	23,854	13,910	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 112,325	\$ 225,095	\$ 363,165	\$ 402,722
Liabilities:				
Accounts Payable	\$ 973	\$ 1,075	\$ 0	\$ 250
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	973	1,075	0	250
Deferred Inflows of Resources:				
Unavailable Amounts	15,903	27,274	0	0
Total Deferred Inflows of Resources	15,903	27,274	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	95,449	196,746	363,165	402,472
Total Fund Balances	95,449	196,746	363,165	402,472
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 112,325	\$ 225,095	\$ 363,165	\$ 402,722

CITY OF MONTGOMERY, OHIO

Montgomery CIC	Contractor Deposits	Total Nonmajor Special Revenue Funds
\$ 40,715	\$ 137,303	\$ 2,849,502
0	0	27,002
0	0	150
0	0	364,693
0	0	11,197
<u>\$ 40,715</u>	<u>\$ 137,303</u>	<u>\$ 3,252,544</u>
\$ 3,000	\$ 0	\$ 28,419
<u>0</u>	<u>0</u>	<u>31,669</u>
<u>3,000</u>	<u>0</u>	<u>60,088</u>
<u>0</u>	<u>0</u>	<u>239,308</u>
<u>0</u>	<u>0</u>	<u>239,308</u>
0	0	11,197
<u>37,715</u>	<u>137,303</u>	<u>2,941,951</u>
<u>37,715</u>	<u>137,303</u>	<u>2,953,148</u>
<u>\$ 40,715</u>	<u>\$ 137,303</u>	<u>\$ 3,252,544</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
Donations	0	0	252,000	0
All Other Revenue	4,100	0	0	0
Total Revenues	4,100	0	252,000	0
Expenditures:				
Current:				
Public Safety	0	0	5,432	0
Parks and Recreation	1,430	0	0	0
Community Economic Development	0	0	0	0
Public Works	0	0	0	0
General Government	0	0	0	0
Total Expenditures	1,430	0	5,432	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,670	0	246,568	0
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	2,670	0	246,568	0
Fund Balances at Beginning of Year - Restated	34,205	10,335	35,981	5,289
Fund Balances End of Year	\$ 36,875	\$ 10,335	\$ 282,549	\$ 5,289

CITY OF MONTGOMERY, OHIO

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	2,559	0	0	503,743
0	0	120,786	0	0	0
0	0	0	0	35,535	0
0	0	0	0	0	6,104
312	10,440	0	0	0	0
0	0	0	0	0	0
0	150	4	0	0	12,828
<u>312</u>	<u>10,590</u>	<u>123,349</u>	<u>0</u>	<u>35,535</u>	<u>522,675</u>
342	8,317	174,961	0	0	0
0	0	0	0	0	0
0	0	0	0	1,526	0
0	0	0	0	0	979,313
0	0	0	0	0	0
<u>342</u>	<u>8,317</u>	<u>174,961</u>	<u>0</u>	<u>1,526</u>	<u>979,313</u>
(30)	2,273	(51,612)	0	34,009	(456,638)
0	0	0	0	0	22,654
0	0	0	0	33,000	650,000
0	0	0	0	33,000	672,654
(30)	2,273	(51,612)	0	67,009	216,016
<u>15,300</u>	<u>48,919</u>	<u>89,597</u>	<u>15,520</u>	<u>148,429</u>	<u>833,829</u>
<u>\$ 15,270</u>	<u>\$ 51,192</u>	<u>\$ 37,985</u>	<u>\$ 15,520</u>	<u>\$ 215,438</u>	<u>\$ 1,049,845</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
Revenues:				
Taxes	\$ 0	\$ 55,795	\$ 0	\$ 0
Intergovernmental Revenues	40,844	25,429	0	0
Charges for Services	0	0	263,350	36,860
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	1,246	1,630	0	4,842
Fines and Forfeitures	0	0	0	0
Donations	0	0	0	0
All Other Revenue	0	0	750	0
Total Revenues	<u>42,090</u>	<u>82,854</u>	<u>264,100</u>	<u>41,702</u>
Expenditures:				
Current:				
Public Safety	0	0	0	0
Parks and Recreation	0	0	216,823	0
Community Economic Development	0	0	0	0
Public Works	40,066	73,096	0	50,618
General Government	0	0	0	0
Total Expenditures	<u>40,066</u>	<u>73,096</u>	<u>216,823</u>	<u>50,618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,024	9,758	47,277	(8,916)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	2,024	9,758	47,277	(8,916)
Fund Balances at Beginning of Year - Restated	<u>93,425</u>	<u>186,988</u>	<u>315,888</u>	<u>411,388</u>
Fund Balances End of Year	<u>\$ 95,449</u>	<u>\$ 196,746</u>	<u>\$ 363,165</u>	<u>\$ 402,472</u>

CITY OF MONTGOMERY, OHIO

Montgomery CIC	Contractor Deposits	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 55,795
0	0	572,575
0	0	420,996
0	0	35,535
212	0	14,034
0	0	10,752
0	0	252,000
0	43,423	61,255
<u>212</u>	<u>43,423</u>	<u>1,422,942</u>
0	0	189,052
0	0	218,253
40,706	0	42,232
0	0	1,143,093
0	46,274	46,274
<u>40,706</u>	<u>46,274</u>	<u>1,638,904</u>
(40,494)	(2,851)	(215,962)
0	0	22,654
<u>0</u>	<u>0</u>	<u>683,000</u>
<u>0</u>	<u>0</u>	<u>705,654</u>
(40,494)	(2,851)	489,692
<u>78,209</u>	<u>140,154</u>	<u>2,463,456</u>
<u>\$ 37,715</u>	<u>\$ 137,303</u>	<u>\$ 2,953,148</u>

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019**

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Vintage Club North Tax Increment	Reserve of Montgomery Bond Retirement	Total Nonmajor Debt Service Funds
Assets:					
Cash and Cash Equivalents	\$ 179,378	\$ 709,690	\$ 0	\$ 249,394	\$ 1,138,462
Receivables:					
Special Assessments	3,600	0	0	1,105,104	1,108,704
Restricted Assets:					
Investments	0	0	390,545	0	390,545
Total Assets	<u>\$ 182,978</u>	<u>\$ 709,690</u>	<u>\$ 390,545</u>	<u>\$ 1,354,498</u>	<u>\$ 2,637,711</u>
Liabilities:					
Due to Fiscal Agent	\$ 0	\$ 0	\$ 0	\$ 165,000	\$ 165,000
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>165,000</u>	<u>165,000</u>
Deferred Inflows of Resources:					
Unavailable Amounts	3,600	0	0	1,105,104	1,108,704
Total Deferred Inflows of Resources	<u>3,600</u>	<u>0</u>	<u>0</u>	<u>1,105,104</u>	<u>1,108,704</u>
Fund Balances:					
Restricted	179,378	709,690	390,545	84,394	1,364,007
Total Fund Balances	<u>179,378</u>	<u>709,690</u>	<u>390,545</u>	<u>84,394</u>	<u>1,364,007</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 182,978</u>	<u>\$ 709,690</u>	<u>\$ 390,545</u>	<u>\$ 1,354,498</u>	<u>\$ 2,637,711</u>

CITY OF MONTGOMERY, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019**

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Vintage Club North Tax Increment	Reserve of Montgomery Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:					
Investment Earnings	\$ 7,134	\$ 8,293	\$ 19,902	\$ 0	\$ 35,329
Special Assessments	8,577	0	0	183,063	191,640
Total Revenues	<u>15,711</u>	<u>8,293</u>	<u>19,902</u>	<u>183,063</u>	<u>226,969</u>
Expenditures:					
Current:					
General Government	256	0	0	5,684	5,940
Debt Service:					
Principal Retirement	4,867	0	0	165,000	169,867
Interest and Fiscal Charges	3,567	0	242,806	14,440	260,813
Total Expenditures	<u>8,690</u>	<u>0</u>	<u>242,806</u>	<u>185,124</u>	<u>436,620</u>
Net Change in Fund Balances	7,021	8,293	(222,904)	(2,061)	(209,651)
Fund Balances at Beginning of Year	<u>172,357</u>	<u>701,397</u>	<u>613,449</u>	<u>86,455</u>	<u>1,573,658</u>
Fund Balances End of Year	<u>\$ 179,378</u>	<u>\$ 709,690</u>	<u>\$ 390,545</u>	<u>\$ 84,394</u>	<u>\$ 1,364,007</u>

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019**

	Downtown Improvement	Triangle Tax Increment	GRA Roundabout
Assets:			
Cash and Cash Equivalents	\$ 1,822,274	\$ 64,566	\$ 1,300,000
Investments	2,557,510	0	0
Receivables:			
Taxes	0	247,000	0
Interest	7,975	0	0
Total Assets	\$ 4,387,759	\$ 311,566	\$ 1,300,000
Liabilities:			
Accounts Payable	\$ 90,864	\$ 0	\$ 0
Interfund Loans Payable	0	467,840	0
Total Liabilities	90,864	467,840	0
Deferred Inflows of Resources:			
Unavailable Amounts	5,080	0	0
Property Tax Levy for Next Fiscal Year	0	247,000	0
Total Deferred Inflows of Resources	5,080	247,000	0
Fund Balances:			
Restricted	0	0	300,000
Assigned	4,291,815	0	1,000,000
Unassigned	0	(403,274)	0
Total Fund Balances	4,291,815	(403,274)	1,300,000
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,387,759	\$ 311,566	\$ 1,300,000

CITY OF MONTGOMERY, OHIO

Urban Redevelopment	Vintage Club Capital Improvement	Total Nonmajor Capital Projects Funds
\$ 283,877	\$ 0	\$ 3,470,717
0	2,172,895	4,730,405
0	0	247,000
0	0	7,975
<u>\$ 283,877</u>	<u>\$ 2,172,895</u>	<u>\$ 8,456,097</u>
\$ 200	\$ 0	\$ 91,064
0	0	467,840
<u>200</u>	<u>0</u>	<u>558,904</u>
0	0	5,080
0	0	247,000
<u>0</u>	<u>0</u>	<u>252,080</u>
283,677	2,172,895	2,756,572
0	0	5,291,815
0	0	(403,274)
<u>283,677</u>	<u>2,172,895</u>	<u>7,645,113</u>
<u>\$ 283,877</u>	<u>\$ 2,172,895</u>	<u>\$ 8,456,097</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019**

	<u>Downtown Improvement</u>	<u>Triangle Tax Increment</u>	<u>GRA Roundabout</u>
Revenues:			
Taxes	\$ 0	\$ 175,204	\$ 0
Intergovernmental Revenues	0	0	300,000
Investment Earnings	59,287	0	0
All Other Revenue	0	0	0
Total Revenues	<u>59,287</u>	<u>175,204</u>	<u>300,000</u>
Expenditures:			
Current:			
General Government	0	88,539	0
Capital Outlay	507,929	0	0
Debt Service:			
Interest and Fiscal Charges	0	0	0
Total Expenditures	<u>507,929</u>	<u>88,539</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(448,642)	86,665	300,000
Other Financing Sources (Uses):			
Transfers In	0	0	1,000,000
Transfers Out	(1,000,000)	0	0
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>0</u>	<u>1,000,000</u>
Net Change in Fund Balances	(1,448,642)	86,665	1,300,000
Fund Balances at Beginning of Year	<u>5,740,457</u>	<u>(489,939)</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 4,291,815</u>	<u>\$ (403,274)</u>	<u>\$ 1,300,000</u>

CITY OF MONTGOMERY, OHIO

Urban Redevelopment	Vintage Club Capital Improvement	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 175,204
0	0	300,000
8,058	47,845	115,190
<u>6,650</u>	<u>0</u>	<u>6,650</u>
<u>14,708</u>	<u>47,845</u>	<u>597,044</u>
9,730	0	98,269
571,158	806,337	1,885,424
<u>0</u>	<u>1,200</u>	<u>1,200</u>
<u>580,888</u>	<u>807,537</u>	<u>1,984,893</u>
(566,180)	(759,692)	(1,387,849)
0	0	1,000,000
<u>0</u>	<u>0</u>	<u>(1,000,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>
(566,180)	(759,692)	(1,387,849)
<u>849,857</u>	<u>2,932,587</u>	<u>9,032,962</u>
<u>\$ 283,677</u>	<u>\$ 2,172,895</u>	<u>\$ 7,645,113</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 10,298,731	\$ 10,298,731	\$ 10,254,544	\$ (44,187)
Intergovernmental Revenues	503,730	503,730	499,660	(4,070)
Charges for Services	124,410	124,410	114,514	(9,896)
Rental Revenue	76,900	76,900	70,541	(6,359)
Licenses, Permits and Fees	482,600	482,600	460,004	(22,596)
Investment Earnings	137,000	137,000	210,398	73,398
Fines and Forfeitures	173,500	173,500	103,986	(69,514)
All Other Revenues	76,338	76,338	228,701	152,363
Total Revenues	<u>11,873,209</u>	<u>11,873,209</u>	<u>11,942,348</u>	<u>69,139</u>
Expenditures:				
Public Safety:				
Police:				
Personal Services	3,364,002	3,364,002	3,228,938	135,064
Nonpersonnel	522,699	522,699	551,800	(29,101)
Total Police	<u>3,886,701</u>	<u>3,886,701</u>	<u>3,780,738</u>	<u>105,963</u>
Disaster Service:				
Nonpersonnel	9,300	9,300	5,000	4,300
Total Disaster Service	<u>9,300</u>	<u>9,300</u>	<u>5,000</u>	<u>4,300</u>
Public Health and Welfare:				
Personal Services	54,295	57,645	54,593	3,052
Total Public Health and Welfare	<u>54,295</u>	<u>57,645</u>	<u>54,593</u>	<u>3,052</u>
Civil Service:				
Nonpersonnel	4,650	4,650	1,018	3,632
Total Civil Service	<u>4,650</u>	<u>4,650</u>	<u>1,018</u>	<u>3,632</u>
Total Public Safety	<u>3,954,946</u>	<u>3,958,296</u>	<u>3,841,349</u>	<u>116,947</u>
Parks and Recreation:				
Recreation:				
Personal Services	241,846	241,846	228,112	13,734
Nonpersonnel	109,013	109,013	91,531	17,482
Total Recreation	<u>350,859</u>	<u>350,859</u>	<u>319,643</u>	<u>31,216</u>
City Parks:				
Personal Services	336,868	336,868	322,231	14,637
Nonpersonnel	257,886	257,886	258,758	(872)
Total City Parks	<u>594,754</u>	<u>594,754</u>	<u>580,989</u>	<u>13,765</u>

(Continued)

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Lodges:				
Nonpersonnel	41,600	41,600	40,362	1,238
Total Lodges	41,600	41,600	40,362	1,238
City Beautiful:				
Nonpersonnel	148,222	148,222	144,402	3,820
Total City Beautiful	148,222	148,222	144,402	3,820
Special Events:				
Nonpersonnel	110,526	110,526	94,985	15,541
Total Special Events	110,526	110,526	94,985	15,541
Total Parks and Recreation	1,245,961	1,245,961	1,180,381	65,580
Community Economic Development:				
Landmarks Commission:				
Nonpersonnel	15,250	15,250	8,072	7,178
Total Landmarks Commission	15,250	15,250	8,072	7,178
Historical Building Operations:				
Nonpersonnel	66,250	66,250	57,643	8,607
Total Historical Building Operations	66,250	66,250	57,643	8,607
Development:				
Personal Services	423,658	423,658	275,276	148,382
Nonpersonnel	426,800	426,800	369,666	57,134
Total Development	850,458	850,458	644,942	205,516
Planning Commission:				
Nonpersonnel	9,900	9,900	5,830	4,070
Total Planning Commission	9,900	9,900	5,830	4,070
Total Community Economic Development	941,858	941,858	716,487	225,371
Public Works:				
Personal Services	511,930	511,930	495,986	15,944
Nonpersonnel	173,321	173,321	141,575	31,746
Total Public Works	685,251	685,251	637,561	47,690
General Government:				
Administration:				
Personal Services	452,830	452,830	427,893	24,937
Nonpersonnel	25,800	25,800	22,364	3,436
Total Administration	478,630	478,630	450,257	28,373

(Continued)

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance Administration:				
Personal Services	588,888	588,888	457,879	131,009
Nonpersonnel	129,725	129,725	125,109	4,616
Total Finance Administration	718,613	718,613	582,988	135,625
Legal Administration:				
Nonpersonnel	228,500	258,500	235,527	22,973
Total Legal Administration	228,500	258,500	235,527	22,973
Council:				
Personal Services	18,268	18,268	15,065	3,203
Nonpersonnel	3,750	3,750	1,586	2,164
Total Council	22,018	22,018	16,651	5,367
Mayor's Court:				
Personal Services	90,873	90,873	87,526	3,347
Nonpersonnel	76,908	76,908	80,254	(3,346)
Total Mayor's Court	167,781	167,781	167,780	1
Citizen Engagement and Outreach:				
Personal Services	508,725	508,725	465,863	42,862
Nonpersonnel	150,317	150,317	141,556	8,761
Total Citizen Engagement and Outreach	659,042	659,042	607,419	51,623
General Administration:				
Personal Services	10,000	10,000	0	10,000
Nonpersonnel	1,771,068	1,922,068	1,730,667	191,401
Total General Administration	1,781,068	1,932,068	1,730,667	201,401
Total General Government	4,055,652	4,236,652	3,791,289	445,363
Total Expenditures	10,883,668	11,068,018	10,167,067	900,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	989,541	805,191	1,775,281	970,090

(Continued)

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	20,199	15,199
Transfers In	3,712	3,712	3,712	0
Transfers Out	<u>(757,700)</u>	<u>(757,700)</u>	<u>(683,000)</u>	<u>74,700</u>
Total Other Financing Sources (Uses)	<u>(748,988)</u>	<u>(748,988)</u>	<u>(659,089)</u>	<u>89,899</u>
Net Change in Fund Balance	240,553	56,203	1,116,192	1,059,989
Fund Balance at Beginning of Year	13,460,322	13,460,322	13,460,322	0
Prior Year Encumbrances	<u>124,794</u>	<u>124,794</u>	<u>124,794</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,825,669</u>	<u>\$ 13,641,319</u>	<u>\$ 14,701,308</u>	<u>\$ 1,059,989</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Fire Protection / EMS Fund
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,264,388	\$ 5,264,388	\$ 5,338,333	\$ 73,945
Intergovernmental Revenues	231,000	231,000	245,537	14,537
Charges for Services	151,200	151,200	225,581	74,381
Investment Earnings	24,500	24,500	68,705	44,205
Donations	200	200	15,031	14,831
All Other Revenues	1,455	1,455	49,639	48,184
Total Revenues	5,672,743	5,672,743	5,942,826	270,083
Expenditures:				
Public Safety:				
Personal Services	2,642,631	2,642,631	2,412,119	230,512
Nonpersonnel	716,783	716,783	628,981	87,802
Total Expenditures	3,359,414	3,359,414	3,041,100	318,314
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,313,329	2,313,329	2,901,726	588,397
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,050	1,050
Total Other Financing Sources (Uses)	0	0	1,050	1,050
Net Change in Fund Balance	2,313,329	2,313,329	2,902,776	589,447
Fund Balance at Beginning of Year	3,630,720	3,630,720	3,630,720	0
Prior Year Encumbrances	36,112	36,112	36,112	0
Fund Balance at End of Year	\$ 5,980,161	\$ 5,980,161	\$ 6,569,608	\$ 589,447

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – Vintage Club Tax Increment Fund
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,517,134	\$ 2,517,134	\$ 2,176,554	\$ (340,580)
Intergovernmental Revenues	200,000	200,000	187,770	(12,230)
Investment Earnings	5,000	5,000	25,568	20,568
Total Revenues	<u>2,722,134</u>	<u>2,722,134</u>	<u>2,389,892</u>	<u>(332,242)</u>
Expenditures:				
General Government:				
Nonpersonnel	1,613,740	1,705,935	1,426,473	279,462
Total General Government	<u>1,613,740</u>	<u>1,705,935</u>	<u>1,426,473</u>	<u>279,462</u>
Debt Service:				
Principal Retirement	460,000	460,000	1,433,948	(973,948)
Interest and Fiscal Charges	508,927	508,927	508,798	129
Total Expenditures	<u>2,582,667</u>	<u>2,674,862</u>	<u>3,369,219</u>	<u>(694,357)</u>
Net Change in Fund Balance	139,467	47,272	(979,327)	(1,026,599)
Fund Balance at Beginning of Year	<u>3,555,899</u>	<u>3,555,899</u>	<u>3,555,899</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,695,366</u>	<u>\$ 3,603,171</u>	<u>\$ 2,576,572</u>	<u>\$ (1,026,599)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Capital Improvement Fund
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,852,728	\$ 1,852,728	\$ 1,982,781	\$ 130,053
Intergovernmental Revenues	250,000	250,000	0	(250,000)
Investment Earnings	20,000	20,000	48,605	28,605
All Other Revenues	75,000	75,000	82,079	7,079
Total Revenues	<u>2,197,728</u>	<u>2,197,728</u>	<u>2,113,465</u>	<u>(84,263)</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	2,544,008	2,816,033	2,614,976	201,057
Total Expenditures	<u>2,544,008</u>	<u>2,816,033</u>	<u>2,614,976</u>	<u>201,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(346,280)	(618,305)	(501,511)	116,794
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	0	(1,000)
Advances In	75,000	75,000	75,000	0
Total Other Financing Sources (Uses)	<u>76,000</u>	<u>76,000</u>	<u>75,000</u>	<u>(1,000)</u>
Net Change in Fund Balance	(270,280)	(542,305)	(426,511)	115,794
Fund Balance at Beginning of Year	3,187,228	3,187,228	3,187,228	0
Prior Year Encumbrances	537,408	537,408	537,408	0
Fund Balance at End of Year	<u>\$ 3,454,356</u>	<u>\$ 3,182,331</u>	<u>\$ 3,298,125</u>	<u>\$ 115,794</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

COMPENSATED ABSENCES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Personal Services	124,515	124,515	54,355	70,160
Total Expenditures	124,515	124,515	54,355	70,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,515)	(124,515)	(54,355)	70,160
Other Financing Sources (Uses):				
Transfers In	133,579	133,579	133,535	(44)
Total Other Financing Sources (Uses)	133,579	133,579	133,535	(44)
Net Change in Fund Balance	9,064	9,064	79,180	70,116
Fund Balance at Beginning of Year	380,872	380,872	380,872	0
Fund Balance at End of Year	\$ 389,936	\$ 389,936	\$ 460,052	\$ 70,116

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	MEMORIAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,850</u>	<u>\$ 850</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,850</u>	<u>850</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	<u>4,850</u>	<u>4,850</u>	<u>1,570</u>	<u>3,280</u>
Total Expenditures	<u>4,850</u>	<u>4,850</u>	<u>1,570</u>	<u>3,280</u>
Net Change in Fund Balance	(1,850)	(1,850)	2,280	4,130
Fund Balance at Beginning of Year	33,745	33,745	33,745	0
Prior Year Encumbrances	<u>850</u>	<u>850</u>	<u>850</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,745</u>	<u>\$ 32,745</u>	<u>\$ 36,875</u>	<u>\$ 4,130</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

PARKS AND RECREATION FUNDRAISING FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ (500)</u>
Total Revenues	<u> 500</u>	<u> 500</u>	<u> 0</u>	<u> (500)</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	<u> 500</u>	<u> 500</u>	<u> 0</u>	<u> 500</u>
Total Expenditures	<u> 500</u>	<u> 500</u>	<u> 0</u>	<u> 500</u>
Net Change in Fund Balance	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance at Beginning of Year	<u> 10,335</u>	<u> 10,335</u>	<u> 10,335</u>	<u> 0</u>
Fund Balance at End of Year	<u><u> 10,335</u></u>	<u><u> 10,335</u></u>	<u><u> 10,335</u></u>	<u><u> 0</u></u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

LAW ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 800	\$ 800	\$ 0	\$ (800)
Donations	400	400	252,000	251,600
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>252,000</u>	<u>250,800</u>
Expenditures:				
Public Safety:				
Nonpersonnel	8,200	8,200	5,432	2,768
Total Expenditures	<u>8,200</u>	<u>8,200</u>	<u>5,432</u>	<u>2,768</u>
Net Change in Fund Balance	(7,000)	(7,000)	246,568	253,568
Fund Balance at Beginning of Year	35,981	35,981	35,981	0
Fund Balance at End of Year	<u>\$ 28,981</u>	<u>\$ 28,981</u>	<u>\$ 282,549</u>	<u>\$ 253,568</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 0	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	400	400	0	400
Total Expenditures	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>
Net Change in Fund Balance	600	600	0	(600)
Fund Balance at Beginning of Year	<u>5,289</u>	<u>5,289</u>	<u>5,289</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,889</u>	<u>\$ 5,889</u>	<u>\$ 5,289</u>	<u>\$ (600)</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 312</u>	<u>\$ (688)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>312</u>	<u>(688)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>1,000</u>	<u>1,000</u>	<u>342</u>	<u>658</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>342</u>	<u>658</u>
Net Change in Fund Balance	0	0	(30)	(30)
Fund Balance at Beginning of Year	<u>15,300</u>	<u>15,300</u>	<u>15,300</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,300</u>	<u>\$ 15,300</u>	<u>\$ 15,270</u>	<u>\$ (30)</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 15,138	\$ 15,138	\$ 10,380	\$ (4,758)
Total Revenues	<u>15,138</u>	<u>15,138</u>	<u>10,380</u>	<u>(4,758)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>11,165</u>	<u>11,165</u>	<u>9,117</u>	<u>2,048</u>
Total Expenditures	<u>11,165</u>	<u>11,165</u>	<u>9,117</u>	<u>2,048</u>
Net Change in Fund Balance	3,973	3,973	1,263	(2,710)
Fund Balance at Beginning of Year	<u>48,272</u>	<u>48,272</u>	<u>48,272</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,245</u>	<u>\$ 52,245</u>	<u>\$ 49,535</u>	<u>\$ (2,710)</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 129,650	\$ 129,650	\$ 118,633	\$ (11,017)
All Other Revenues	25	25	4	(21)
Total Revenues	<u>129,675</u>	<u>129,675</u>	<u>118,637</u>	<u>(11,038)</u>
Expenditures:				
Public Safety:				
Personal Services	180,752	180,752	175,708	5,044
Nonpersonnel	3,600	3,600	105	3,495
Total Expenditures	<u>184,352</u>	<u>184,352</u>	<u>175,813</u>	<u>8,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,677)	(54,677)	(57,176)	(2,499)
Other Financing Sources (Uses):				
Transfers In	59,700	59,700	0	(59,700)
Total Other Financing Sources (Uses)	<u>59,700</u>	<u>59,700</u>	<u>0</u>	<u>(59,700)</u>
Net Change in Fund Balance	5,023	5,023	(57,176)	(62,199)
Fund Balance at Beginning of Year	62,096	62,096	62,096	0
Fund Balance at End of Year	<u>\$ 67,119</u>	<u>\$ 67,119</u>	<u>\$ 4,920</u>	<u>\$ (62,199)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,000	\$ 1,000	\$ 0	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>15,520</u>	<u>15,520</u>	<u>15,520</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,520</u>	<u>\$ 15,520</u>	<u>\$ 15,520</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

ENVIRONMENTAL IMPACT TAX FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, Permits and Fees	\$ 33,000	\$ 33,000	\$ 35,535	\$ 2,535
Total Revenues	<u>33,000</u>	<u>33,000</u>	<u>35,535</u>	<u>2,535</u>
Expenditures:				
Community Economic Development:				
Nonpersonnel	48,000	48,000	1,526	46,474
Total Expenditures	<u>48,000</u>	<u>48,000</u>	<u>1,526</u>	<u>46,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(15,000)	34,009	49,009
Other Financing Sources (Uses):				
Transfers In	33,000	33,000	33,000	0
Total Other Financing Sources (Uses)	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>0</u>
Net Change in Fund Balance	18,000	18,000	67,009	49,009
Fund Balance at Beginning of Year	148,429	148,429	148,429	0
Fund Balance at End of Year	<u>\$ 166,429</u>	<u>\$ 166,429</u>	<u>\$ 215,438</u>	<u>\$ 49,009</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
Revenues:				
Intergovernmental Revenues	\$ 413,849	\$ 413,849	\$ 469,778	\$ 55,929
Investment Earnings	4,500	4,500	6,104	1,604
All Other Revenues	2,602	2,602	12,828	10,226
Total Revenues	<u>420,951</u>	<u>420,951</u>	<u>488,710</u>	<u>67,759</u>
Expenditures:				
Public Works:				
Personal Services	763,296	763,296	645,715	117,581
Nonpersonnel	363,378	363,378	359,221	4,157
Total Expenditures	<u>1,126,674</u>	<u>1,126,674</u>	<u>1,004,936</u>	<u>121,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(705,723)	(705,723)	(516,226)	189,497
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	22,654	21,654
Transfers In	650,000	650,000	650,000	0
Total Other Financing Sources (Uses)	<u>651,000</u>	<u>651,000</u>	<u>672,654</u>	<u>21,654</u>
Net Change in Fund Balance	(54,723)	(54,723)	156,428	211,151
Fund Balance at Beginning of Year	774,251	774,251	774,251	0
Prior Year Encumbrances	31,407	31,407	31,407	0
Fund Balance at End of Year	<u>\$ 750,935</u>	<u>\$ 750,935</u>	<u>\$ 962,086</u>	<u>\$ 211,151</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 32,650	\$ 32,650	\$ 38,090	\$ 5,440
Investment Earnings	500	500	1,246	746
Total Revenues	<u>33,150</u>	<u>33,150</u>	<u>39,336</u>	<u>6,186</u>
Expenditures:				
Public Works:				
Nonpersonnel	<u>57,000</u>	<u>57,000</u>	<u>56,876</u>	<u>124</u>
Total Expenditures	<u>57,000</u>	<u>57,000</u>	<u>56,876</u>	<u>124</u>
Net Change in Fund Balance	(23,850)	(23,850)	(17,540)	6,310
Fund Balance at Beginning of Year	66,511	66,511	66,511	0
Prior Year Encumbrances	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 65,661</u>	<u>\$ 65,661</u>	<u>\$ 71,971</u>	<u>\$ 6,310</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

PERMISSIVE MOTOR VEHICLE LICENSE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 54,000	\$ 54,000	\$ 54,897	\$ 897
Intergovernmental Revenues	27,000	27,000	24,966	(2,034)
Investment Earnings	750	750	1,630	880
Total Revenues	<u>81,750</u>	<u>81,750</u>	<u>81,493</u>	<u>(257)</u>
Expenditures:				
Public Works:				
Nonpersonnel	<u>115,100</u>	<u>115,100</u>	<u>114,783</u>	<u>317</u>
Total Expenditures	<u>115,100</u>	<u>115,100</u>	<u>114,783</u>	<u>317</u>
Net Change in Fund Balance	(33,350)	(33,350)	(33,290)	60
Fund Balance at Beginning of Year	135,211	135,211	135,211	0
Prior Year Encumbrances	<u>39,500</u>	<u>39,500</u>	<u>39,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 141,361</u>	<u>\$ 141,361</u>	<u>\$ 141,421</u>	<u>\$ 60</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019***

MUNICIPAL POOL FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 222,670	\$ 222,670	\$ 263,350	\$ 40,680
All Other Revenues	500	500	750	250
Total Revenues	<u>223,170</u>	<u>223,170</u>	<u>264,100</u>	<u>40,930</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	<u>263,519</u>	<u>263,519</u>	<u>237,790</u>	<u>25,729</u>
Total Expenditures	<u>263,519</u>	<u>263,519</u>	<u>237,790</u>	<u>25,729</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,349)	(40,349)	26,310	66,659
Other Financing Sources (Uses):				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
Net Change in Fund Balance	(25,349)	(25,349)	26,310	51,659
Fund Balance at Beginning of Year	316,090	316,090	316,090	0
Prior Year Encumbrances	<u>165</u>	<u>165</u>	<u>165</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 290,906</u>	<u>\$ 290,906</u>	<u>\$ 342,565</u>	<u>\$ 51,659</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	CEMETERY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 40,000	\$ 40,000	\$ 36,860	\$ (3,140)
Investment Earnings	2,500	2,500	4,842	2,342
Total Revenues	<u>42,500</u>	<u>42,500</u>	<u>41,702</u>	<u>(798)</u>
Expenditures:				
Public Works:				
Nonpersonnel	67,150	67,150	58,763	8,387
Total Expenditures	<u>67,150</u>	<u>67,150</u>	<u>58,763</u>	<u>8,387</u>
Net Change in Fund Balance	(24,650)	(24,650)	(17,061)	7,589
Fund Balance at Beginning of Year	405,055	405,055	405,055	0
Prior Year Encumbrances	7,300	7,300	7,300	0
Fund Balance at End of Year	<u>\$ 387,705</u>	<u>\$ 387,705</u>	<u>\$ 395,294</u>	<u>\$ 7,589</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

CONTRACTOR DEPOSITS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 100,000	\$ 100,000	\$ 43,423	\$ (56,577)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>43,423</u>	<u>(56,577)</u>
Expenditures:				
General Government:				
Nonpersonnel	<u>100,000</u>	<u>100,000</u>	<u>46,274</u>	<u>53,726</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>46,274</u>	<u>53,726</u>
Net Change in Fund Balance	0	0	(2,851)	(2,851)
Fund Balance at Beginning of Year	<u>140,154</u>	<u>140,154</u>	<u>140,154</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 140,154</u>	<u>\$ 140,154</u>	<u>\$ 137,303</u>	<u>\$ (2,851)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ (1,000)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:				
General Government:				
Nonpersonnel	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	500	0	(500)
Other Financing Sources (Uses):				
Transfers Out	<u>(3,712)</u>	<u>(3,712)</u>	<u>(3,712)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,712)</u>	<u>(3,712)</u>	<u>(3,712)</u>	<u>0</u>
Net Change in Fund Balance	(3,212)	(3,212)	(3,712)	(500)
Fund Balance at Beginning of Year	<u>4,884</u>	<u>4,884</u>	<u>4,884</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,672</u>	<u>\$ 1,672</u>	<u>\$ 1,172</u>	<u>\$ (500)</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 3,567	\$ 3,567	\$ 7,134	\$ 3,567
Special Assessments	<u>9,900</u>	<u>9,900</u>	<u>8,577</u>	<u>(1,323)</u>
Total Revenues	<u>13,467</u>	<u>13,467</u>	<u>15,711</u>	<u>2,244</u>
Expenditures:				
General Government:				
Nonpersonnel	500	500	256	244
Debt Service:				
Principal Retirement	4,867	4,867	4,867	0
Interest and Fiscal Charges	<u>3,767</u>	<u>3,767</u>	<u>3,567</u>	<u>200</u>
Total Expenditures	<u>9,134</u>	<u>9,134</u>	<u>8,690</u>	<u>444</u>
Net Change in Fund Balance	4,333	4,333	7,021	2,688
Fund Balance at Beginning of Year	<u>172,357</u>	<u>172,357</u>	<u>172,357</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 176,690</u>	<u>\$ 176,690</u>	<u>\$ 179,378</u>	<u>\$ 2,688</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 8,293</u>	<u>\$ 2,293</u>
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>8,293</u>	<u>2,293</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	6,000	6,000	8,293	2,293
Fund Balance at Beginning of Year	<u>701,397</u>	<u>701,397</u>	<u>701,397</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 707,397</u>	<u>\$ 707,397</u>	<u>\$ 709,690</u>	<u>\$ 2,293</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019***

VINTAGE CLUB NORTH TAX INCREMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 100	\$ 100	\$ 19,902	\$ 19,802
Total Revenues	<u>100</u>	<u>100</u>	<u>19,902</u>	<u>19,802</u>
Expenditures:				
General Government:				
Nonpersonnel	200	200	0	200
Debt Service:				
Interest and Fiscal Charges	<u>242,810</u>	<u>242,810</u>	<u>242,806</u>	<u>4</u>
Total Expenditures	<u>243,010</u>	<u>243,010</u>	<u>242,806</u>	<u>204</u>
Net Change in Fund Balance	(242,910)	(242,910)	(222,904)	20,006
Fund Balance at Beginning of Year	<u>613,449</u>	<u>613,449</u>	<u>613,449</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 370,539</u>	<u>\$ 370,539</u>	<u>\$ 390,545</u>	<u>\$ 20,006</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019**

RESERVE OF MONTGOMERY BOND RETIREMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 234,000	\$ 234,000	\$ 183,063	\$ (50,937)
Total Revenues	<u>234,000</u>	<u>234,000</u>	<u>183,063</u>	<u>(50,937)</u>
Expenditures:				
General Government:				
Nonpersonnel	7,500	7,500	5,684	1,816
Debt Service:				
Principal Retirement	165,000	165,000	165,000	0
Interest and Fiscal Charges	<u>14,440</u>	<u>14,440</u>	<u>14,440</u>	<u>0</u>
Total Expenditures	<u>186,940</u>	<u>186,940</u>	<u>185,124</u>	<u>1,816</u>
Net Change in Fund Balance	47,060	47,060	(2,061)	(49,121)
Fund Balance at Beginning of Year	<u>86,455</u>	<u>86,455</u>	<u>86,455</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 133,515</u>	<u>\$ 133,515</u>	<u>\$ 84,394</u>	<u>\$ (49,121)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019**

GATEWAY REDEVELOPMENT AREA (GRA) TAX INCREMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 200	\$ 0	\$ 0	\$ 0
Total Revenues	<u>200</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
General Government:				
Nonpersonnel	800	0	0	0
Debt Service:				
Principal Retirement	20,000	0	0	0
Interest and Fiscal Charges	<u>801,350</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>822,150</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(821,950)	0	0	0
Other Financing Sources (Uses):				
Transfers In	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	178,050	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 178,050</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019**

DOWNTOWN IMPROVEMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 24,500	\$ 24,500	\$ 61,592	\$ 37,092
Total Revenues	<u>24,500</u>	<u>24,500</u>	<u>61,592</u>	<u>37,092</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	<u>568,685</u>	<u>785,385</u>	<u>578,389</u>	<u>206,996</u>
Total Expenditures	<u>568,685</u>	<u>785,385</u>	<u>578,389</u>	<u>206,996</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(544,185)	(760,885)	(516,797)	244,088
Other Financing Sources (Uses):				
Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,544,185)	(1,760,885)	(1,516,797)	244,088
Fund Balance at Beginning of Year	5,176,535	5,176,535	5,176,535	0
Prior Year Encumbrances	<u>568,185</u>	<u>568,185</u>	<u>568,185</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,200,535</u>	<u>\$ 3,983,835</u>	<u>\$ 4,227,923</u>	<u>\$ 244,088</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019***

TRIANGLE TAX INCREMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 190,603	\$ 190,603	\$ 175,204	\$ (15,399)
All Other Revenues	46,500	46,500	0	(46,500)
Total Revenues	<u>237,103</u>	<u>237,103</u>	<u>175,204</u>	<u>(61,899)</u>
Expenditures:				
General Government:				
Nonpersonnel	81,800	88,865	88,539	326
Total Expenditures	<u>81,800</u>	<u>88,865</u>	<u>88,539</u>	<u>326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,303	148,238	86,665	(61,573)
Other Financing Sources (Uses):				
Advances Out	(75,000)	(75,000)	(75,000)	0
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Balance	80,303	73,238	11,665	(61,573)
Fund Balance at Beginning of Year	52,901	52,901	52,901	0
Fund Balance at End of Year	<u>\$ 133,204</u>	<u>\$ 126,139</u>	<u>\$ 64,566</u>	<u>\$ (61,573)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 300,000	\$ 300,000
Total Revenues	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>300,000</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	300,000	300,000
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Net Change in Fund Balance	0	1,000,000	1,300,000	300,000
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 1,000,000</u>	<u>\$ 1,300,000</u>	<u>\$ 300,000</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019***

URBAN REDEVELOPMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 4,200	\$ 4,200	\$ 8,058	\$ 3,858
All Other Revenues	4,400	4,400	6,650	2,250
Total Revenues	<u>8,600</u>	<u>8,600</u>	<u>14,708</u>	<u>6,108</u>
Expenditures:				
General Government:				
Nonpersonnel	11,150	11,150	9,860	1,290
Capital Outlay:				
Nonpersonnel	62,271	598,771	571,248	27,523
Total Expenditures	<u>73,421</u>	<u>609,921</u>	<u>581,108</u>	<u>28,813</u>
Net Change in Fund Balance	(64,821)	(601,321)	(566,400)	34,921
Fund Balance at Beginning of Year	843,586	843,586	843,586	0
Prior Year Encumbrances	6,271	6,271	6,271	0
Fund Balance at End of Year	<u>\$ 785,036</u>	<u>\$ 248,536</u>	<u>\$ 283,457</u>	<u>\$ 34,921</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019**

VINTAGE CLUB CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 1,700,200	\$ 50,200	\$ 47,845	\$ (2,355)
Total Revenues	<u>1,700,200</u>	<u>50,200</u>	<u>47,845</u>	<u>(2,355)</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	4,515,575	2,865,575	2,106,505	759,070
Total Capital Outlay	<u>4,515,575</u>	<u>2,865,575</u>	<u>2,106,505</u>	<u>759,070</u>
Debt Service:				
Interest and Fiscal Charges	2,000	2,000	1,200	800
Total Expenditures	<u>4,517,575</u>	<u>2,867,575</u>	<u>2,107,705</u>	<u>759,870</u>
Net Change in Fund Balance	(2,817,375)	(2,817,375)	(2,059,860)	757,515
Fund Balance at Beginning of Year	119,412	119,412	119,412	0
Prior Year Encumbrances	2,813,175	2,813,175	2,813,175	0
Fund Balance at End of Year	<u>\$ 115,212</u>	<u>\$ 115,212</u>	<u>\$ 872,727</u>	<u>\$ 757,515</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019**

GATEWAY REDEVELOPMENT AREA (GRA) CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Nonpersonnel	10,000,000	0	0	0
Total Expenditures	10,000,000	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000,000)	0	0	0
Other Financing Sources (Uses):				
Special Obligation Bonds Issued	10,000,000	0	0	0
Total Other Financing Sources (Uses)	10,000,000	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2019**

	ARTS AND AMENITIES FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 24,450	\$ 24,450	\$ 25,712	\$ 1,262
Investment Earnings	4,600	4,600	7,505	2,905
Total Revenues	<u>29,050</u>	<u>29,050</u>	<u>33,217</u>	<u>4,167</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	<u>94,300</u>	<u>94,300</u>	<u>27,644</u>	<u>66,656</u>
Total Expenditures	<u>94,300</u>	<u>94,300</u>	<u>27,644</u>	<u>66,656</u>
Net Change in Fund Balance	(65,250)	(65,250)	5,573	70,823
Fund Balance at Beginning of Year	<u>639,223</u>	<u>639,223</u>	<u>639,223</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 573,973</u>	<u>\$ 573,973</u>	<u>\$ 644,796</u>	<u>\$ 70,823</u>

Fiduciary Funds

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

Custodial Funds

Mayor's Court Fund

To account for funds that flow through the Mayor's Court.

Ohio Board of Building Standards (OBBS) Fund

To account for the three percent surcharge levied on building permits issued in the City of Montgomery by the State of Ohio and the one percent surcharge levied on residential permits. These funds are distributed to the State of Ohio on a monthly basis.

CITY OF MONTGOMERY, OHIO

**Combining Statement of Net Position
Fiduciary Funds
December 31, 2019**

	<u>Mayor's Court</u>	<u>OBBS</u>	<u>Total Custodial Funds</u>
Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	\$ 2,752	\$ 4,126	\$ 6,878
Total Assets	<u>2,752</u>	<u>4,126</u>	<u>6,878</u>
Liabilities:			
Intergovernmental Payable	0	4,126	4,126
Due to Others	<u>2,752</u>	<u>0</u>	<u>2,752</u>
Total Liabilities	<u>2,752</u>	<u>4,126</u>	<u>6,878</u>
Net Position:			
Unrestricted	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2019**

	Mayor's Court	OBBS	Total Custodial Funds
Additions:			
Fines and Forfeiture Collections for other Governments	\$ 40,397	\$ 0	\$ 40,397
Fee Collections for other Governments	0	5,386	5,386
Total Additions	40,397	5,386	45,783
Deductions:			
Distribution of Fines and Forfeitures to other Governments	40,397	0	40,397
Distribution of Fees to other Governments	0	5,386	5,386
Total Deductions	40,397	5,386	45,783
Change in Net Position	0	0	0
Net Position at Beginning of Year	0	0	0
Net Position End of Year	\$ 0	\$ 0	\$ 0

STATISTICAL SECTION



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

STATISTICAL TABLES

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

City of Montgomery

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities:				
Net Investment in Capital Assets	\$34,953,112	\$36,182,645	\$36,128,095	\$35,944,567
Restricted	17,430,333	17,561,697	19,652,718	22,057,822
Unrestricted	14,809,621	14,845,473	14,772,666	14,786,678
Total Primary Government Net Position	<u>\$67,193,066</u>	<u>\$68,589,815</u>	<u>\$70,553,479</u>	<u>\$72,789,067</u>

Source: City Finance Director's Office
* As Restated

City of Montgomery

*			*	*	
2014	2015	2016	2017	2018	2019
\$39,698,707	\$43,262,398	\$42,821,778	\$46,591,291	\$47,555,921	\$49,348,148
19,982,948	17,288,242	18,106,169	18,195,161	21,696,557	22,918,214
9,586,759	10,103,260	10,781,407	1,715,781	(1,153,649)	5,005,001
<u>\$69,268,414</u>	<u>\$70,653,900</u>	<u>\$71,709,354</u>	<u>\$66,502,233</u>	<u>\$68,098,829</u>	<u>\$77,271,363</u>

City of Montgomery

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2010	2011	2012	2013
Expenses				
Governmental Activities:				
Public Safety	\$5,625,518	\$6,016,951	\$5,938,453	\$5,526,566
Parks and Recreation	1,384,928	1,375,420	1,350,375	1,323,018
Community Economic Development	447,491	483,968	515,765	660,502
Public Works	2,700,671	2,322,822	2,368,658	2,457,093
General Government	3,916,652	4,396,020	4,435,686	4,797,717
Interest and Fiscal Charges	187,006	173,463	148,817	421,583
<i>Total Primary Government Expenses</i>	<u>\$14,262,266</u>	<u>\$14,768,644</u>	<u>\$14,757,754</u>	<u>\$15,186,479</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Public Safety	\$341,109	\$327,909	\$389,783	\$379,782
Parks and Recreation	239,140	256,030	262,896	279,176
Community Economic Development	212,544	217,495	389,531	357,126
Public Works	28,401	38,212	50,612	44,463
General Government	306,876	263,899	239,153	276,725
Operating Grants and Contributions	533,729	637,823	503,370	594,658
Capital Grants and Contributions	117,265	0	0	0
<i>Total Primary Government Program Revenues</i>	<u>1,779,064</u>	<u>1,741,368</u>	<u>1,835,345</u>	<u>1,931,930</u>

City of Montgomery

2014	2015	2016	2017	2018	2019
\$5,525,153	\$5,686,783	\$6,155,810	\$6,770,913	\$7,001,538	\$2,149,098
1,207,002	1,321,303	1,423,495	1,443,647	1,451,641	1,571,912
683,325	681,284	833,598	896,973	981,654	750,246
2,528,383	2,494,890	3,037,588	2,895,186	2,958,271	3,739,794
4,535,252	4,953,073	4,318,323	5,047,160	5,085,300	6,533,156
646,377	602,800	582,929	575,223	805,080	956,673
<u>\$15,125,492</u>	<u>\$15,740,133</u>	<u>\$16,351,743</u>	<u>\$17,629,102</u>	<u>\$18,283,484</u>	<u>\$15,700,879</u>
\$330,344	\$346,258	\$334,220	\$451,533	\$460,488	\$473,373
316,669	303,576	329,497	396,922	399,223	426,279
338,339	310,367	383,667	295,350	460,387	330,105
44,718	42,864	67,878	59,085	70,870	36,860
879,472	275,305	267,180	207,852	213,003	214,912
602,689	710,112	657,398	567,203	459,038	942,813
361,417	488,849	106,742	1,453,524	394,361	417,273
<u>2,873,648</u>	<u>2,477,331</u>	<u>2,146,582</u>	<u>3,431,469</u>	<u>2,457,370</u>	<u>2,841,615</u>

(continued)

City of Montgomery

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental Activities	(12,483,202)	(13,027,276)	(12,922,409)	(13,254,549)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(12,483,202)</u>	<u>(13,027,276)</u>	<u>(12,922,409)</u>	<u>(13,254,549)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$5,264,702	\$5,067,545	\$4,831,239	\$5,108,938
Income Taxes	7,126,510	6,829,459	7,163,487	7,564,240
Other Local Taxes	1,070,266	1,096,131	1,686,255	1,651,364
Intergovernmental Revenue, Unrestricted	953,694	1,007,530	672,620	690,532
Investment Earnings	275,677	116,322	203,020	66,401
Miscellaneous	172,085	307,038	329,452	408,662
<i>Total Primary Government</i>	<u>\$14,862,934</u>	<u>\$14,424,025</u>	<u>\$14,886,073</u>	<u>\$15,490,137</u>
Change in Net Position				
Governmental Activities	\$2,379,732	\$1,396,749	\$1,963,664	\$2,235,588
<i>Total Primary Government Change in Net Position</i>	<u>\$2,379,732</u>	<u>\$1,396,749</u>	<u>\$1,963,664</u>	<u>\$2,235,588</u>

Source: City Finance Director's Office

City of Montgomery

2014	2015	2016	2017	2018	2019
<u>(12,251,844)</u>	<u>(13,262,802)</u>	<u>(14,205,161)</u>	<u>(14,197,633)</u>	<u>(15,826,114)</u>	<u>(12,859,264)</u>
<u><u>(12,251,844)</u></u>	<u><u>(13,262,802)</u></u>	<u><u>(14,205,161)</u></u>	<u><u>(14,197,633)</u></u>	<u><u>(15,826,114)</u></u>	<u><u>(12,859,264)</u></u>
\$5,032,078	\$5,284,135	\$5,637,621	\$6,126,596	\$6,232,147	\$10,104,586
8,438,680	8,368,822	8,627,561	9,209,832	9,528,350	9,899,146
8,205	5,516	8	42,400	50,803	57,591
768,788	795,633	804,732	804,443	823,338	914,767
353,613	20,625	125,332	243,469	369,190	824,461
224,708	173,557	65,361	240,936	273,844	231,247
<u>\$14,826,072</u>	<u>\$14,648,288</u>	<u>\$15,260,615</u>	<u>\$16,667,676</u>	<u>\$17,277,672</u>	<u>\$22,031,798</u>
<u>\$2,574,228</u>	<u>\$1,385,486</u>	<u>\$1,055,454</u>	<u>\$2,470,043</u>	<u>\$1,451,558</u>	<u>\$9,172,534</u>
<u><u>\$2,574,228</u></u>	<u><u>\$1,385,486</u></u>	<u><u>\$1,055,454</u></u>	<u><u>\$2,470,043</u></u>	<u><u>\$1,451,558</u></u>	<u><u>\$9,172,534</u></u>

City of Montgomery

Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2010	2011	2012	2013
General Fund				
Nonspendable	\$0	\$23,350	\$31,759	\$38,762
Restricted	0	0	0	0
Committed	0	232,456	213,241	241,177
Assigned	0	148,421	0	14,255
Unassigned	0	14,583,500	14,739,811	14,854,921
Reserved	317,113	0	0	0
Unreserved	14,361,458	0	0	0
Total General Fund	14,678,571	14,987,727	14,984,811	15,149,115
All Other Governmental Funds				
Nonspendable	0	378,911	386,807	381,214
Restricted	0	14,737,416	14,848,236	21,633,254
Committed	0	0	0	0
Assigned	0	0	2,762,750	4,938,215
Unassigned	0	(1,028,831)	(1,002,569)	(935,888)
Reserved	4,032,014	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	7,183,676	0	0	0
Capital Projects Funds	2,652,138	0	0	0
Total All Other Governmental Funds	13,867,828	14,087,496	16,995,224	26,016,795
Total Governmental Funds	\$28,546,399	\$29,075,223	\$31,980,035	\$41,165,910

Source: City Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

* As Restated

City of Montgomery

2014	2015	2016	2017	*	2018	2019
\$48,297	\$57,050	\$153,093	\$149,637		\$152,313	\$117,529
0	0	0	0		4,000	111,918
241,965	0	0	275,766		380,872	460,052
480,495	632,729	1,231,318	1,337,872		106,421	330,468
14,081,793	13,058,828	13,692,699	13,403,870		13,347,382	14,785,825
0	0	0	0		0	0
0	0	0	0		0	0
<u>14,852,550</u>	<u>13,748,607</u>	<u>15,077,110</u>	<u>15,167,145</u>		<u>13,990,988</u>	<u>15,805,792</u>
386,850	385,504	430,879	430,112		428,223	425,881
19,040,157	15,420,289	15,651,642	15,170,294		19,631,383	20,747,499
0	0	0	0		0	0
0	3,997,738	4,017,131	3,372,027		5,740,457	5,291,815
(1,607,986)	(777,518)	(696,585)	(578,147)		(489,939)	(403,274)
0	0	0	0		0	0
0	0	0	0		0	0
<u>17,819,021</u>	<u>19,026,013</u>	<u>19,403,067</u>	<u>18,394,286</u>		<u>25,310,124</u>	<u>26,061,921</u>
<u>\$32,671,571</u>	<u>\$32,774,620</u>	<u>\$34,480,177</u>	<u>\$33,561,431</u>		<u>\$39,301,112</u>	<u>\$41,867,713</u>

City of Montgomery

Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues:				
Taxes	\$13,447,773	\$13,207,984	\$13,772,405	\$14,323,258
Intergovernmental Revenues	1,661,817	1,524,756	1,910,352	1,356,908
Charges for Services	567,008	516,638	570,815	590,048
Rental Revenue	49,725	71,567	74,334	82,171
Licenses, Permits and Fees	341,216	329,972	288,456	463,084
Investment Earnings	273,850	118,982	207,977	68,543
Special Assessments	267,745	240,774	247,118	239,150
Fines and Forfeitures	122,657	182,546	208,992	197,398
Donations	0	0	0	0
All Other Revenue	192,519	308,438	330,070	408,662
Total Revenue	16,924,310	16,501,657	17,610,519	17,729,222
Expenditures:				
Current:				
Public Safety	5,124,108	5,571,856	5,257,367	5,195,970
Parks and Recreation	1,188,511	1,183,413	1,173,520	1,140,568
Community Economic Development	338,006	407,163	423,326	558,761
Public Works	1,573,712	1,553,391	1,393,153	1,551,869
General Government	3,810,968	4,773,477	3,680,703	4,454,948
Capital Outlay	2,261,729	1,750,423	2,140,335	8,132,369
Debt Service:				
Principal Retirement	614,883	619,883	615,883	486,883
Interest and Fiscal Charges	162,428	144,521	124,949	374,970
Total Expenditures	15,074,345	16,004,127	14,809,236	21,896,338
Excess (Deficiency) of Revenues Over Expenditures	1,849,965	497,530	2,801,283	(4,167,116)

City of Montgomery

2014	2015	2016	2017	2018	2019
\$13,493,807	\$13,723,722	\$14,398,872	\$15,259,447	\$15,750,906	\$20,025,676
1,729,466	1,996,610	1,561,357	1,982,883	2,237,462	1,908,885
604,663	551,286	623,876	749,257	782,209	788,935
691,149	75,689	72,428	60,890	58,310	73,916
455,962	460,180	540,237	451,332	626,918	494,451
349,700	24,012	124,366	234,005	359,569	824,095
210,214	200,708	198,496	198,624	190,584	191,640
161,109	190,354	146,426	147,642	127,022	115,548
0	0	0	0	184,603	267,031
225,331	173,557	65,361	249,936	273,844	231,247
<u>17,921,401</u>	<u>17,396,118</u>	<u>17,731,419</u>	<u>19,334,016</u>	<u>20,591,427</u>	<u>24,921,424</u>
5,211,409	5,401,500	5,402,597	6,078,022	6,138,584	6,738,519
1,048,008	1,146,011	1,230,746	1,221,808	1,295,336	1,346,741
619,162	577,778	727,466	771,107	925,533	674,556
1,574,078	1,671,168	1,640,058	1,712,620	1,598,007	1,770,392
3,809,334	4,135,877	3,835,298	5,569,589	4,454,768	5,440,130
12,264,416	3,535,968	2,305,739	3,916,443	5,405,224	4,053,883
1,282,883	258,883	355,883	465,883	614,883	1,603,815
624,701	577,715	557,895	550,405	785,983	1,001,150
<u>26,433,991</u>	<u>17,304,900</u>	<u>16,055,682</u>	<u>20,285,877</u>	<u>21,218,318</u>	<u>22,629,186</u>
(8,512,590)	91,218	1,675,737	(951,861)	(626,891)	2,292,238

(continued)

City of Montgomery

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2010	2011	2012	2013
Other Financing Sources (Uses):				
Sale of Capital Assets	9,437	31,294	103,529	66,903
Refunding Bonds Issued	0	0	0	0
Discount on Bond Issuance	0	0	0	0
Premium on Bond Issuance	0	0	0	21,088
Special Obligation Bonds Issued	0	0	0	13,265,000
Payment to Refunding Bond Escrow Agent	0	0	0	0
Transfers In	1,461,364	435,962	2,482,510	2,647,980
Transfers Out	(1,461,364)	(435,962)	(2,482,510)	(2,647,980)
Total Other Financing Sources (Uses)	<u>9,437</u>	<u>31,294</u>	<u>103,529</u>	<u>13,352,991</u>
Net Change in Fund Balance	<u>\$1,859,402</u>	<u>\$528,824</u>	<u>\$2,904,812</u>	<u>\$9,185,875</u>
Debt Service as a Percentage of Noncapital Expenditures	6.05%	5.53%	5.31%	6.13%

Source: City Finance Director's Office

City of Montgomery

2014	2015	2016	2017	2018	2019
18,251	11,831	29,820	33,115	19,389	44,024
0	0	0	0	0	11,550,000
0	0	0	0	0	(74,083)
0	0	0	0	507,145	0
0	0	0	0	5,695,000	0
0	0	0	0	0	(11,245,578)
2,928,911	5,321,922	1,369,222	721,887	4,527,655	1,740,896
(2,928,911)	(5,321,922)	(1,369,222)	(721,887)	(4,527,655)	(1,740,896)
18,251	11,831	29,820	33,115	6,221,534	274,363
(\$8,494,339)	\$103,049	\$1,705,557	(\$918,746)	\$5,594,643	\$2,566,601
12.84%	5.84%	6.33%	6.55%	8.87%	13.27%

City of Montgomery

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$458,743	\$480,577	\$506,533	\$506,533
Total Tax Collected	\$6,670,824	\$7,135,086	\$7,266,418	\$7,791,153
Income Tax Receipts				
Withholding	4,871,941	5,166,841	5,132,899	5,492,994
Percentage	73.1%	72.4%	70.7%	70.5%
Corporate	421,386	490,950	519,450	531,787
Percentage	6.3%	6.9%	7.1%	6.8%
Individuals	1,377,497	1,477,295	1,614,069	1,766,372
Percentage	20.6%	20.7%	22.2%	22.7%

Source: City Finance Department

City of Montgomery

2014	2015	2016	2017	2018	2019
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$514,959	\$525,148	\$552,416	\$565,671	\$608,643	\$643,557
\$8,108,709	\$8,453,212	\$8,840,826	\$9,172,224	\$9,333,556	\$9,911,567
5,682,726	6,095,746	6,411,256	6,580,924	6,740,749	7,236,622
70.1%	72.1%	72.5%	71.7%	72.2%	73.0%
558,753	592,503	571,288	586,815	637,066	651,801
6.9%	7.0%	6.5%	6.4%	6.8%	6.6%
1,867,230	1,764,963	1,858,282	2,004,485	1,955,741	2,023,144
23.0%	20.9%	21.0%	21.9%	21.0%	20.4%



City of Montgomery

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2019

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,455	32.81%	\$64,417	0.94%
20,000 - 49,999	499	11.25%	165,983	2.41%
50,000 - 74,999	288	6.49%	178,367	2.59%
75,000 - 99,999	238	5.37%	206,267	2.99%
Over 100,000	1,955	44.08%	6,274,396	91.07%
Total	<u>4,435</u>	<u>100.00%</u>	<u>\$6,889,430</u>	<u>100.00%</u>

Local Taxes Paid by Residents

Taxes Credited to Other Municipalities

Tax Dollars

\$3,961,264

\$3,961,264

Calendar Year 2010

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,482	35.01%	\$64,239	1.42%
20,000 - 49,999	515	12.17%	173,585	3.85%
50,000 - 74,999	352	8.32%	219,918	4.88%
75,000 - 99,999	338	7.98%	293,354	6.51%
Over 100,000	1,546	36.52%	3,757,393	83.34%
Total	<u>4,233</u>	<u>100.00%</u>	<u>\$4,508,489</u>	<u>100.00%</u>

Local Taxes Paid by Residents

Taxes Credited to Other Municipalities

Tax Dollars

\$3,314,645

\$3,314,645

Source: City Finance Director's Office

City of Montgomery

Ratios of Outstanding Debt By Type Last Ten Years

	2010	2011	2012	2013
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$2,425,000	\$1,890,000	\$1,450,000	\$1,130,000
Special Assessment Bonds	1,610,931	1,526,048	1,350,165	1,183,282
Special Obligation TIF Bonds	0	0	0	13,265,000
Total Primary Government	<u>\$4,035,931</u>	<u>\$3,416,048</u>	<u>\$2,800,165</u>	<u>\$15,578,282</u>
Population ⁽²⁾				
City of Montgomery	10,251	10,251	10,251	10,251
Outstanding Debt Per Capita	\$394	\$333	\$273	\$1,520
Income ⁽³⁾				
Personal (in thousands)	458,743	480,577	506,533	506,533
Percentage of Personal Income	0.88%	0.71%	0.55%	3.08%

Sources:

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Montgomery

2014	2015	2016	2017	2018	2019
\$0	\$0	\$0	\$0	\$0	\$0
1,030,399	871,516	715,633	549,750	384,867	215,000
<u>13,265,000</u>	<u>13,165,000</u>	<u>12,965,000</u>	<u>12,665,000</u>	<u>18,417,145</u>	<u>17,651,370</u>
<u>\$14,295,399</u>	<u>\$14,036,516</u>	<u>\$13,680,633</u>	<u>\$13,214,750</u>	<u>\$18,802,012</u>	<u>\$17,866,370</u>
10,251	10,251	10,251	10,582	10,746	10,805
\$1,395	\$1,369	\$1,335	\$1,249	\$1,750	\$1,654
514,959	525,148	552,416	565,671	608,643	643,557
2.78%	2.67%	2.48%	2.34%	3.09%	2.78%

City of Montgomery

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2010	2011	2012	2013
Population ⁽¹⁾	10,251	10,251	10,251	10,251
Personal Income ⁽²⁾	\$458,742,501	\$480,577,131	\$506,532,663	\$506,532,663
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$2,425,000	\$1,890,000	\$1,450,000	\$1,130,000
Resources Available to Pay Principal	\$1,236,599	\$1,267,621	\$1,289,798	\$1,215,803
Net General Bonded Debt	\$1,188,401	\$622,379	\$160,202	(\$85,803)
Ratio of Net Bonded Debt to Personal Income	0.26%	0.13%	0.03%	-0.02%
Net Bonded Debt per Capita	\$115.93	\$60.71	\$15.63	(\$8.37)

Source:

(1) U.S. Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) Includes all general obligation bonded debt supported by property taxes.

City of Montgomery

2014	2015	2016	2017	2018	2019
10,251	10,251	10,251	10,582	10,746	10,805
\$514,958,985	\$525,148,479	\$552,416,139	\$565,671,392	\$608,642,694	\$643,556,605
\$0	\$0	\$0	\$0	\$0	\$0
\$2,845,453	\$347,977	\$657,016	\$695,342	\$701,397	\$709,690
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA



City of Montgomery

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2019*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Montgomery</u>	<u>Amount Applicable to the City of Montgomery</u>
Direct:			
City of Montgomery	\$17,866,370	100.00%	\$17,866,370
Overlapping:			
Sycamore Community School District	153,629,545	31.61%	48,562,299
Hamilton County	120,015,000	3.01%	<u>3,612,452</u>
		Subtotal	<u>52,174,751</u>
		Total	<u><u>\$70,041,121</u></u>

Source: Ohio Municipal Advisory Council

Note: Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Montgomery

Debt Limitations Last Ten Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$523,512,940	\$481,043,250	\$481,049,290	\$484,129,440
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	54,968,859	50,509,541	50,510,175	50,833,591
City Debt Outstanding (2)	2,425,000	1,890,000	1,450,000	1,130,000
Less: Applicable Debt Service Fund Amounts	<u>(1,236,599)</u>	<u>(1,267,621)</u>	<u>(1,289,798)</u>	<u>(1,215,803)</u>
Net Indebtedness Subject to Limitation	<u>1,188,401</u>	<u>622,379</u>	<u>160,202</u>	<u>(85,803)</u>
Overall Legal Debt Margin	<u>\$53,780,458</u>	<u>\$49,887,162</u>	<u>\$50,349,973</u>	<u>\$50,919,394</u>
Debt Margin as a Percentage of Debt Limit	97.84%	98.77%	99.68%	100.17%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$523,512,940	\$481,043,250	\$481,049,290	\$484,129,440
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	28,793,212	26,457,379	26,457,711	26,627,119
City Debt Outstanding (2)	2,425,000	1,890,000	1,450,000	1,130,000
Less: Applicable Debt Service Fund Amounts	<u>(1,236,599)</u>	<u>(1,267,621)</u>	<u>(1,289,798)</u>	<u>(1,215,803)</u>
Net Indebtedness Subject to Limitation	<u>1,188,401</u>	<u>622,379</u>	<u>160,202</u>	<u>(85,803)</u>
Overall Legal Debt Margin	<u>\$27,604,811</u>	<u>\$25,835,000</u>	<u>\$26,297,509</u>	<u>\$26,712,922</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

Source: City Finance Director's Office

City of Montgomery

2014	2015	2016	2017	2018	2019
\$516,228,830	\$521,032,070	\$525,380,800	\$576,634,020	\$585,606,670	\$596,678,640
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
54,204,027	54,708,367	55,164,984	60,546,572	61,488,700	62,651,257
2,800,000	0	0	0	0	0
<u>(2,845,453)</u>	<u>(347,977)</u>	<u>(657,016)</u>	<u>(695,342)</u>	<u>(701,397)</u>	<u>(709,690)</u>
<u>(45,453)</u>	<u>(347,977)</u>	<u>(657,016)</u>	<u>(695,342)</u>	<u>(701,397)</u>	<u>(709,690)</u>
<u>\$54,249,480</u>	<u>\$55,056,344</u>	<u>\$55,822,000</u>	<u>\$61,241,914</u>	<u>\$62,190,097</u>	<u>\$63,360,947</u>
100.08%	100.64%	101.19%	101.15%	101.14%	101.13%
\$516,228,830	\$521,032,070	\$525,380,800	\$576,634,020	\$585,606,670	\$596,678,640
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
28,392,586	28,656,764	28,895,944	31,714,871	32,208,367	32,817,325
2,800,000	0	0	0	0	0
<u>(2,845,453)</u>	<u>(347,977)</u>	<u>(657,016)</u>	<u>(695,342)</u>	<u>(701,397)</u>	<u>(709,690)</u>
<u>(45,453)</u>	<u>(347,977)</u>	<u>(657,016)</u>	<u>(695,342)</u>	<u>(701,397)</u>	<u>(709,690)</u>
<u>\$28,438,039</u>	<u>\$29,004,741</u>	<u>\$29,552,960</u>	<u>\$32,410,213</u>	<u>\$32,909,764</u>	<u>\$33,527,015</u>

City of Montgomery

Pledged Revenue Coverage Last Ten Years

	2010	2011	2012	2013	2014
Special Assessment Bonds					
Special Assessment Collections	\$267,745	\$240,774	\$247,118	\$239,150	\$210,214
Debt Service					
Principal	134,883	139,883	175,883	166,883	152,883
Interest	66,839	59,282	56,710	50,840	45,230
Coverage	1.33	1.21	1.06	1.10	1.06
Tax Increment Financing (1)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$1,250,087	\$1,152,795
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	262,502	522,102
Coverage	0.00	0.00	0.00	4.76	2.21
Tax Increment Financing (2)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

(1) Vintage Club Improvements

(2) Vintage Club Phase II Improvements

Source: City Finance Director's Office

City of Montgomery

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$200,708	\$198,496	\$198,624	\$190,584	\$191,640
158,883	155,883	165,883	164,883	165,000
40,182	34,842	29,552	23,767	14,440
1.01	1.04	1.02	1.01	1.07
\$1,260,263	\$1,593,666	\$2,005,478	\$1,881,600	\$2,176,554
\$100,000	\$200,000	\$300,000	\$450,000	\$460,000
522,102	521,352	519,152	514,802	506,928
2.03	2.21	2.45	1.95	2.25
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
0	0	0	103,193	242,806
0.00	0.00	0.00	0.00	0.00

City of Montgomery

Demographic and Economic Statistics Last Ten Years

Calendar Year	2010	2011	2012	2013
Population (1)				
City of Montgomery	10,251	10,251	10,251	10,251
Hamilton County	802,374	802,374	802,374	802,374
Income (2) (a)				
Total Personal (in thousands)	458,743	480,577	506,533	506,533
Hamilton County Per Capita	44,751	46,881	49,413	49,413
Unemployment Rate (3)				
Federal	9.6%	8.9%	8.1%	7.4%
State	10.0%	8.6%	7.2%	7.4%
Hamilton County	9.5%	8.6%	7.0%	7.1%
Civilian Work Force Estimates (3)				
State	5,858,000	5,805,000	5,748,000	5,704,000
Hamilton County	411,000	405,100	400,000	399,800

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) Ohio Department of Job and Family Services Ohio Labor Market Information

City of Montgomery

2014	2015	2016	2017	2018	2019
10,251	10,251	10,251	10,582	10,746	10,805
802,374	802,374	807,598	809,099	813,822	817,473
514,959	525,148	552,416	565,671	608,643	643,557
50,235	51,229	53,889	53,456	56,639	59,561
5.4%	5.3%	4.9%	3.9%	3.9%	3.5%
4.7%	4.9%	4.9%	4.5%	4.6%	4.1%
4.3%	4.4%	4.4%	4.0%	4.4%	4.5%
5,704,300	5,719,500	5,663,000	5,724,000	5,724,000	5,736,300
400,500	404,100	403,900	410,000	413,100	410,900



City of Montgomery

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2019		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,483	1	18%
Sycamore School District	Educational	983	2	5%
Ohio National Financial Services	Financial	979	3	5%
TriHealth G LLC.	Medical	600	4	3%
Montgomery Inn	Restaurant	331	5	2%
Twin Lakes	Medical	315	6	2%
Meadowbrook Care Center	Senior Community	300	7	2%
Kroger	Retail	245	8	1%
Good Samaritan Hospital	Medical	239	9	1%
Montgomery at Carecore	Senior Community	212	10	1%
Total		<u>7,687</u>		
Total Employment within the City		<u><u>18,994</u></u>		

Employer	Nature of Business	2010		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	2,987	1	20%
Sycamore School District	Educational	881	2	6%
Ohio National Financial Services	Financial	842	3	6%
Montgomery Inn, Inc.	Restaurant	288	4	2%
Tri-Health, Inc.	Medical	260	5	2%
Twin Lakes	Medical	256	6	2%
Meadowbrook Care Center	Medical	245	7	2%
Kroger Limited Partnership 1	Retail	220	8	1%
Montgomery Care Center	Medical	209	9	1%
Columbia Oldsmobile Inc.	Retail	129	10	1%
Total		<u>6,317</u>		
Total Employment within the City		<u><u>14,911</u></u>		

Source: City Finance Director's Office

City of Montgomery

Full Time Equivalent Employees by Function Last Ten Years

	2010	2011	2012	2013	2014
Governmental Activities					
General Government					
Finance	5.50	5.00	5.50	5.50	5.50
Legal/Court	1.50	1.50	1.50	1.50	1.00
Administration	7.50	7.00	6.50	6.50	6.50
Maintenance	1.00	1.00	0.00	0.00	0.00
Public Safety					
Police	24.00	24.00	24.00	24.00	24.00
Fire	25.00	25.00	25.00	25.00	25.00
Public Works					
Street	11.50	11.50	11.50	11.50	11.50
Parks and Recreation					
Parks and Recreation	7.00	7.50	7.00	7.00	7.00
Community Environment					
Service	2.00	2.00	2.00	2.00	2.00
Total Employees	<u>85.00</u>	<u>84.50</u>	<u>83.00</u>	<u>83.00</u>	<u>82.50</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Finance Director's Office

City of Montgomery

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
5.50	5.50	5.50	5.50	5.50
1.00	1.00	1.00	1.00	1.00
6.50	6.50	6.50	6.50	7.50
0.00	0.00	0.00	0.00	0.00
24.00	24.00	24.00	24.00	24.00
25.00	25.00	25.00	25.00	22.00
11.50	11.50	11.50	11.50	11.50
7.00	7.25	7.25	7.25	7.25
<u>2.00</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>1.00</u>
<u>82.50</u>	<u>83.25</u>	<u>83.25</u>	<u>83.25</u>	<u>79.75</u>

City of Montgomery

Operating Indicators by Function Last Ten Years

	2010	2011	2012	2013
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	1,262	1,529	1,742	2,066
Licenses and Permits				
Number of Building Permits	218	253	250	337
Number of Building Inspections	649	733	1,195	1,186
Information Technology				
Number of Website Visitors	293,593	220,001	269,439	292,845
Number of Online Transactions	2,873	2,972	2,914	2,883
Average Cost per Online Transactions*	\$1.00	\$0.97	\$0.99	\$1.08
Public Safety				
Police				
Number of Moving Citations Issued	1,517	1,883	1,929	1,765
Number of Non-moving Citations Issued	246	271	261	301
Number of Felony Arrests	31	38	59	39
Number of Misdemeanor Arrests	193	233	326	541
Number of Juvenile Arrests	53	83	105	97
Number of DUI/OVI Arrests	23	38	88	91
Number of Auto Accident Reports	629	766	609	727
Fire				
Number of Fire Calls	510	490	467	490
Number of EMS Runs	1,047	1,005	998	972
Number of Car Seat Inspections	170	151	151	191
Number of Inspections	1,031	1,103	1,008	613
Public Works				
Street				
Centerline Miles of Streets Resurfaced	7.50	3.70	2.43	2.27
Number of Public Trees Trimmed	317	135	65	154
Number of Households Receiving Curbside Brush Chipping	677	825	803	669
Number of Sidewalk Locations Required	85	65	71	82
Parks and Recreation				
Parks and Recreation				
Number of Classes / Events	97	82	60	61
Number of Pool Passes Sold	453	518	546	587
Number of Pool Daily Patrons	13,585	11,237	9,873	10,382

*Beginning in 2017, these figures include credit card fees.

Source: City Finance Director's Office

City of Montgomery

2014	2015	2016	2017	2018	2019
1,829	1,496	1,219	1,368	1,099	1,106
423	384	427	393	484	437
1,603	1,711	1,583	1,486	1,819	1,664
309,065	334,014	308,981	331,109	338,846	340,179
2,024	2,796	3,152	2,458	2,712	2,851
\$1.54	\$1.12	\$0.99	\$5.44	\$5.28	\$5.27
1,549	1,589	1,353	1,809	1,217	1,448
280	148	66	103	18	243
42	32	49	57	N/A	38
371	384	334	346	174	166
104	49	62	47	N/A	66
49	80	76	48	41	30
516	546	567	497	726	517
577	471	437	443	623	593
949	1,125	1,091	1,099	1,135	1,182
214	217	157	143	141	147
906	894	590	976	925	982
2.34	2.05	2.17	2.48	2.37	2.38
48	33	61	88	55	61
785	796	722	548	1,933	1,099
77	127	78	86	26	27
73	73	94	96	92	107
666	652	684	736	726	719
19,763	20,573	23,070	27,424	28,659	27,278

City of Montgomery

Capital Asset Statistics by Function Last Ten Years

	2010	2011	2012	2013	2014
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	23	23	23	23	32
Buildings	8	8	8	8	8
Public Safety					
Police					
Stations	1	1	1	1	1
Vehicles	16	16	13	14	14
Fire					
Stations	1	1	1	1	1
Vehicles	8	10	11	10	10
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	206	316	246	246	246
Vehicles	16	17	16	16	16
Parks and Recreation					
Parks and Recreation					
Land (acres)	81	81	81	81	81
Buildings	3	3	3	3	3
Parks	7	7	7	7	7
Playgrounds	6	6	6	6	6
Tennis Courts	10	10	10	10	10
Baseball/Softball Diamonds	11	9	9	9	9
Municipal Pool Land (acres)	2	2	2	2	2
Municipal Pool Buildings	2	2	2	2	2

Source: City Finance Director's Office

City of Montgomery

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
32	32	43	45	45
8	8	8	9	9
1	1	1	1	1
15	11	13	11	16
1	1	1	1	1
9	11	12	14	12
46	46	46	46	46
246	246	246	246	246
15	15	14	15	15
81	81	81	81	81
3	3	3	3	3
7	7	7	7	7
6	6	6	6	6
10	10	10	10	10
9	9	9	9	9
2	2	2	2	2
2	2	2	2	2

